

20 July 2025

India | Equity Research | Results Update

RBL Bank

Banking

Weak core with decline in NIM and elevated slippages; treasury drives profitability

RBL Bank (RBL) reported a weak set of results with a sharp ~40bps QoQ dip in NIM, double-digit NII de-growth and unchanged slippages. Reported PAT of INR 2bn (RoA of 0.5%) was supported by massive treasury gains (INR 2.7bn or ~0.7% of assets), INR 2.3bn utilisation of buffer and 500bps QoQ dip in PCR. We emphasise that ex treasury, PPoP declined nearly ~50% both YoY and QoQ. MFI slippages improved QoQ (along with SMA pool), though were offset by higher slippages in credit card and secured retail. We emphasise that NIM and RoA for RBL are much leveraged to the growth and asset quality of high-yielding credit card and MFI, where only gradual revival is likely. We increase our target multiple from ~0.7x to ~0.85x as NIM seems to have bottomed out and FY27E RoA could still be healthy at ~1%.

Target price is revised to INR 250 (vs INR 210 earlier). Downgrade to **HOLD** (from Add). Upside risk: Higher-than-expected growth in credit card and MFI. Downside risk: Higher-than-expected rise in slippages.

NIM may have bottomed out, but FY26 to be still down sharply YoY

Cost of savings balances declined 60bps sharply QoQ to 5.8% and TD cost was flattish. However, overall cost of deposits was flattish, which is a bit surprising. Yields declined massively by 47bps QoQ due to policy rate changes and unfavourable mix. As a result, NIM declined 39bps QoQ to 4.5%. NII saw a massive 13% de-growth YoY. The bank expects further 15-20bps decline in yields in the near term on residual impact of announced rate cut. However, it believes NIM should broadly cushioned due to moderation in CoD and should see visible improvement Q3FY26 onwards. We concur with the bank and estimate healthy uptick in NIM in H2FY26 driven by favourable mix and lagged impact of deposits cut, yet we see a massive ~35bps YoY decline in FY26 NIM.

Growth calibrated and driven by secured retail

Overall loans grew 9% YoY (up 2% QoQ), driven by secured retail (up 23% YoY) and commercial banking (up 32% YoY), while unsecured retail book declined 10% YoY. Deposits grew 11% YoY with similar growth across CASA and TD. We estimate loan growth at ~13% YoY for FY26E, driven by secured and commercial loans. We highlight that secured retail has seen visible uptick in slippages / GNPA (more so on lagged basis), which could play a spoilsport.

Financial Summary

| Y/E March | FY24A | FY25A | FY26E | FY27E |
|----------------------|-------|--------|-------|-------|
| NII (INR bn) | 60.4 | 64.6 | 64.6 | 80.4 |
| Op. profit (INR bn) | 30.3 | 36.3 | 32.9 | 41.8 |
| Net Profit (INR bn) | 11.7 | 7.0 | 11.2 | 16.8 |
| EPS (INR) | 19.4 | 11.5 | 18.4 | 27.7 |
| EPS % change YoY | 31.7 | (40.9) | 60.8 | 50.3 |
| ABV (INR) | 236.9 | 253.4 | 267.1 | 292.1 |
| P/BV (x) | 1.1 | 1.0 | 1.0 | 0.9 |
| P/ABV (x) | 1.1 | 1.0 | 1.0 | 0.9 |
| Return on Assets (%) | 0.9 | 0.5 | 0.7 | 1.0 |
| Return on Equity (%) | 8.2 | 4.6 | 7.0 | 9.7 |

Jai Prakash Mundhra

jai.mundhra@icicisecurities.com
+91 22 6807 7572

Hardik Shah

hardik.shah@icicisecurities.com

Market Data

| | |
|---------------------|----------|
| Market Cap (INR) | 160bn |
| Market Cap (USD) | 1,861mn |
| Bloomberg Code | RBK IN |
| Reuters Code | RATB BO |
| 52-week Range (INR) | 273 /146 |
| Free Float (%) | 97.0 |
| ADTV-3M (mn) (USD) | 35.8 |

| Price Performance (%) | 3m | 6m | 12m |
|-----------------------|------|------|-----|
| Absolute | 43.3 | 69.6 | 8.5 |
| Relative to Sensex | 39.2 | 62.9 | 8.0 |

| ESG Score | 2023 | 2024 | Change |
|-------------|------|------|--------|
| ESG score | 65.9 | 67.5 | 1.6 |
| Environment | 60.0 | 68.2 | 8.2 |
| Social | 46.0 | 57.5 | 11.5 |
| Governance | 81.3 | 74.5 | -6.8 |

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

| Earnings Revisions (%) | FY26E | FY27E |
|------------------------|-------|-------|
| EPS | (13) | - |

Previous Reports

15-07-2025: [Sector update](#)

02-07-2025: [Banking Q1FY26 Preview](#)

PPoP down 18% YoY/QoQ despite treasury (0.7% of assets)

Fee growth was soft at 3% YoY. However, the key highlight was massive treasury of INR 2.7bn or ~0.7% of assets, driving ~33% growth in other income.

Overall opex grew ~12% YoY (up 8-9% QoQ), primarily driven by higher collection costs, which has moved in-house post the separation of long held partnership on credit cards. The bank expects collection cost to normalise by FY26-end. The bank expects overall opex to be around 9-12% YoY.

Despite massive treasury gains, PPoP was down 18% YoY both QoQ and YoY, with weakness percolating from NII. Cost to income ratio jumped to >70%. We highlight that ex-treasury core-PPoP would have been down massively by ~50% YoY and QoQ.

Slippages remain elevated; lower MFI slippages offset by higher slippages in other retail

We appreciate the detailed asset quality disclosures by the bank. Overall slippages remained stable (and elevated) QoQ at INR 10.6bn or 4.5% annualised. Wholesale slippages remained muted at INR 210mn. MFI slippages saw healthy improvement to INR 3.18bn vs INR 4.7bn QoQ. However, credit card slippages inched up to INR 5.2bn vs INR 4.8bn QoQ. Importantly, secured retail slippages jumped to INR 2bn vs INR 1.0bn QoQ. Overall recovery and upgrades were also weak, and thus, net slippages increased QoQ to INR 9.2bn or 3.9% annualised.

MFI SMA pool receding, yet overall FY26 slippages to be elevated

SMA pool in MFI loans improved to INR 2.9bn vs INR 3.8bn QoQ and flattish YoY. The calculated SMA formation rate has reduced from the last couple of quarters but still seems elevated at ~4%. In the last four quarters, around 82-87% of overall SMA has slipped into NPA in the next quarter, suggesting high mortality rate. We acknowledge improved SMA levels and model steady decline in MFI slippages to INR 1.5bn by Q4FY26E. Despite building-in moderating MFI and steady INR 5 bn/ INR 1.25bn slippages in credit card /secured retail, overall slippages may still be INR 35-36bn for FY26E or ~3.4% of loans. Our credit costs assumption is broadly similar to management guidance of <2%, though we see PCR declining further to 82% by FY26E.

PCR down QoQ; credit cost aided by part utilisation of buffer

Reported gross NPA increased 9% QoQ; ratio up 18bps QoQ to 2.78%. PCR, which had seen massive ramp up in Q4FY25, declined 500bps QoQ to 84%. Net NPA ratio increased 16bps QoQ to 45bps.

Reported credit costs was around ~2% annualised. Majority of credit costs has come from unsecured retail. The bank has utilised ~INR 2.8bn of contingent provisions, which was kept against SMA pool of MFI loans. However, RBL has created contingent provision of INR 0.5bn as 1% of o/s MFI loans. In-effect, it has utilised INR 2.3bn of earlier contingent provisions. Ex-of contingent provisions, credit cost would have been ~3% annualised.

Exhibit 1: Q1FY26 result review

| | Q1FY25 | Q1FY26 | YoY (%) | Q4FY25 | QoQ (%) |
|--------------------------------------|---------------|---------------|--------------|---------------|--------------|
| Financial Highlights (INR mn) | | | | | |
| Interest Earned | 34,962 | 34,411 | -1.6 | 34,756 | -1.0 |
| Interest Expended | 17,963 | 19,604 | 9.1 | 19,126 | 2.5 |
| Net Interest Income | 17,000 | 14,807 | -12.9 | 15,630 | -5.3 |
| Other Income | 8,055 | 10,695 | 32.8 | 10,000 | 6.9 |
| Total Income | 43,017 | 45,106 | 4.9 | 44,756 | 0.8 |
| Total Net Income | 25,054 | 25,501 | 1.8 | 25,630 | -0.5 |
| Staff Expenses | 3,680 | 4,746 | 29.0 | 4,480 | 5.9 |
| Other operating expenses | 12,783 | 13,726 | 7.4 | 12,539 | 9.5 |
| Operating Profit | 8,591 | 7,030 | -18.2 | 8,612 | -18.4 |
| Provision & Contingencies | 3,663 | 4,423 | 20.8 | 7,851 | -43.7 |
| Provision for tax | 1,213 | 603 | -50.3 | 74 | 720.4 |
| Reported Profit | 3,715 | 2,003 | -46.1 | 687 | 191.7 |
| | | | | | |
| Advances (INR bn) | 867 | 944 | 8.9 | 926 | 2.0 |
| Deposits (INR bn) | 1,014 | 1,127 | 11.2 | 1,109 | 1.6 |
| Gross NPA (INR mn) | 23.8 | 26.9 | 13.0 | 24.7 | 8.9 |
| Gross NPA (%) | 2.69 | 2.78 | 9 bps | 2.60 | 18 bps |
| Net NPA (INR mn) | 6.4 | 4.3 | -32.9 | 2.7 | 58.4 |
| Net NPA (%) | 0.74 | 0.45 | -29 bps | 0.29 | 16 bps |
| Provision Coverage (%) | 73.1 | 84.0 | 1090 bps | 89.0 | -498 bps |

Source: Company data, I-Sec research

Exhibit 2: Sharp decline in core profitability but RoA supported by strong treasury

| RoAs Tree (%) | 4QFY24 | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 |
|----------------------|------------|------------|------------|------------|------------|------------|
| Interest Income | 10.1 | 10.2 | 10.1 | 9.9 | 9.7 | 9.3 |
| Interest Expense | 5.2 | 5.2 | 5.5 | 5.5 | 5.3 | 5.3 |
| NII | 4.8 | 5.0 | 4.6 | 4.5 | 4.3 | 4.0 |
| Non-interest income | 2.6 | 2.3 | 2.7 | 3.0 | 2.8 | 2.9 |
| - Fee income | 2.5 | 2.2 | 2.4 | 2.4 | 2.7 | 2.1 |
| - Trading gains | 0.1 | 0.1 | 0.3 | 0.6 | 0.1 | 0.7 |
| Net Revenue | 7.5 | 7.3 | 7.3 | 7.5 | 7.1 | 6.9 |
| Opex | 4.8 | 4.8 | 4.7 | 4.7 | 4.7 | 5.0 |
| Reported PPOP | 2.7 | 2.5 | 2.6 | 2.8 | 2.4 | 1.9 |
| Core PPOP | 2.5 | 2.4 | 2.3 | 2.2 | 2.3 | 1.2 |
| Provisioning | 1.2 | 1.1 | 1.8 | 3.3 | 2.2 | 1.2 |
| PBT | 1.4 | 1.4 | 0.8 | (0.5) | 0.2 | 0.7 |
| Tax | 0.4 | 0.4 | 0.2 | (0.6) | 0.0 | 0.2 |
| ROAs | 1.1 | 1.1 | 0.6 | 0.1 | 0.2 | 0.5 |
| Leverage | 9.1 | 9.1 | 9.1 | 9.2 | 9.2 | 9.4 |
| RoEs | 9.7 | 9.9 | 5.8 | 0.8 | 1.8 | 5.1 |

Source: I-Sec research, Company data

Exhibit 3: Segmental stress details

| | Q2FY24 | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 |
|--------------------------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| Slippages (INR Mn) | | | | | | | | |
| Wholesale (A) | 150 | 420 | 700 | 20 | - | - | 40 | 210 |
| Retail (B) | 5,260 | 6,240 | 6,090 | 7,180 | 10,260 | 13,090 | 10,530 | 10,380 |
| Credit card | 3,340 | 3,740 | 3,780 | 4,400 | 6,600 | 5,670 | 4,790 | 5,230 |
| MFI | 600 | 1,000 | 1,620 | 1,470 | 2,400 | 5,360 | 4,720 | 3,180 |
| Other retail | 1,320 | 1,500 | 690 | 1,310 | 1,260 | 2,060 | 1,020 | 1,970 |
| Total Slippages (C=A+B) | 5,410 | 6,660 | 6,790 | 7,200 | 10,260 | 13,090 | 10,570 | 10,590 |
| Slippages % annualized | | | | | | | | |
| Wholesale (A) | 0.2 | 0.5 | 0.8 | 0.0 | - | - | 0.0 | 0.2 |
| Retail (B) | 4.8 | 5.4 | 5.0 | 5.3 | 7.5 | 9.5 | 7.6 | 7.3 |
| Credit card | 8.9 | 9.4 | 8.9 | 10.1 | 15.1 | 13.1 | 11.2 | 12.2 |
| MFI | 3.5 | 5.9 | 8.6 | 8.1 | 13.8 | 32.8 | 32.8 | 23.4 |
| Other retail | 2.4 | 2.5 | 1.1 | 1.8 | 1.7 | 2.6 | 1.2 | 2.3 |
| Total Loans (C=A+B) | 2.84 | 3.33 | 3.23 | 3.32 | 4.67 | 5.79 | 4.56 | 4.49 |
| Gross NPAs % | | | | | | | | |
| Wholesale (A) | 3.5 | 3.3 | 2.8 | 2.9 | 2.8 | 2.5 | 1.3 | 1.3 |
| Retail (B) | 3.0 | 3.1 | 2.6 | 2.6 | 3.0 | 3.3 | 3.6 | 3.9 |
| Credit card | 3.1 | 3.1 | 1.8 | 2.1 | 2.7 | 2.1 | 1.6 | 1.8 |
| MFI | 2.2 | 3.1 | 4.2 | 5.6 | 7.9 | 14.1 | 21.2 | 23.7 |
| Other retail | 3.2 | 3.1 | 2.7 | 2.2 | 2.0 | 1.7 | 1.5 | 1.8 |
| Total Loans (C=A+B) | 3.12 | 3.12 | 2.65 | 2.69 | 2.88 | 2.92 | 2.60 | 2.78 |
| Net NPAs % | | | | | | | | |
| Wholesale (A) | 0.6 | 0.5 | 0.3 | 0.3 | 0.3 | 0.2 | 0.1 | 0.1 |
| Retail (B) | 0.9 | 1.0 | 1.0 | 1.0 | 1.1 | 0.7 | 0.4 | 0.7 |
| Credit card | 0.4 | 0.4 | 0.5 | 0.5 | 0.6 | 0.5 | 0.4 | 0.5 |
| MFI | 1.0 | 1.6 | 2.4 | 2.9 | 4.1 | 2.1 | - | 1.4 |
| Other retail | 1.2 | 1.3 | 1.0 | 0.8 | 0.7 | 0.6 | 0.5 | 0.7 |
| Total Loans (C=A+B) | 0.78 | 0.80 | 0.74 | 0.74 | 0.79 | 0.53 | 0.29 | 0.45 |

Source: Company data, I-Sec research

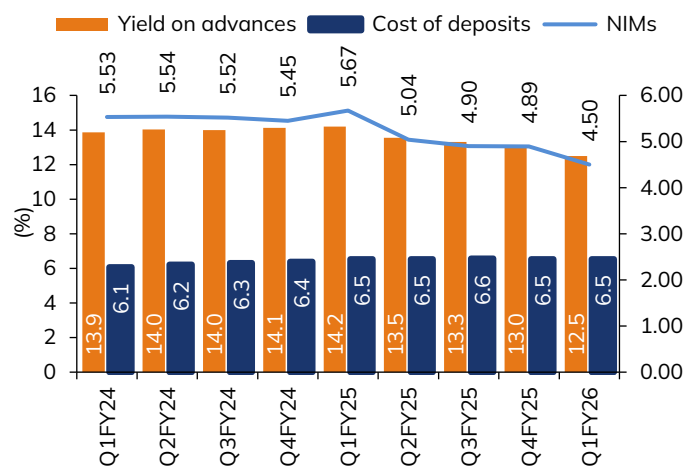
Exhibit 4: Loan mix

| (INR mn) | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | YoY % | QoQ % |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|------------|
| C&IB | 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 |
| Commercial Banking | 89,120 | 91,150 | 93,900 | 97,650 | 1,07,850 | 1,17,280 | 1,24,190 | 32.3 | 5.9 |
| Wholesale | 3,35,770 | 3,48,400 | 3,29,680 | 3,31,600 | 3,52,130 | 3,69,150 | 3,78,070 | 14.7 | 2.4 |
| Business Loans | 75,700 | 81,610 | 81,820 | 88,370 | 98,590 | 1,11,620 | 1,16,560 | 42.5 | 4.4 |
| Credit Cards | 1,95,110 | 2,09,260 | 2,13,820 | 2,14,190 | 1,72,880 | 1,71,330 | 1,71,910 | (1.2) | 0.3 |
| Personal Loans | 35,470 | 38,880 | 39,880 | 39,170 | 37,220 | 32,450 | 30,530 | (23.4) | (5.9) |
| Microfinance | 68,270 | 75,110 | 72,530 | 69,710 | 65,320 | 57,520 | 54,350 | (25.1) | (5.5) |
| Housing Loans | 59,150 | 62,600 | 66,960 | 74,470 | 78,850 | 81,770 | 83,100 | 24.1 | 1.6 |
| Retail Agri | 16,310 | 17,210 | 14,580 | 14,170 | 14,360 | 15,090 | 15,290 | 4.9 | 1.3 |
| Rural Vehicle Finance | 19,970 | 22,210 | 21,590 | 22,790 | 25,990 | 27,540 | 28,600 | 32.5 | 3.8 |
| Others | 29,200 | 23,470 | 66,050 | 63,530 | 58,770 | 59,720 | 65,890 | (0.2) | 10.3 |
| Retail | 4,63,710 | 4,91,470 | 5,37,370 | 5,47,230 | 5,51,990 | 5,57,030 | 5,66,250 | 5.4 | 1.7 |
| Total Advances | 7,99,490 | 8,39,870 | 8,67,040 | 8,78,820 | 9,04,120 | 9,26,180 | 9,44,310 | 8.9 | 2.0 |

| (% of total) | Q3FY24 | Q4FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 |
|-----------------------|------------|------------|------------|------------|------------|------------|------------|
| C&IB | 31 | 31 | 27 | 27 | 27 | 27 | 27 |
| Commercial Banking | 11 | 11 | 11 | 11 | 12 | 13 | 13 |
| Wholesale | 42 | 41 | 38 | 38 | 39 | 40 | 40 |
| Business Loans | 9 | 10 | 9 | 10 | 11 | 12 | 12 |
| Credit Cards | 24 | 25 | 25 | 24 | 19 | 18 | 18 |
| Personal loans | 4 | 5 | 5 | 4 | 4 | 4 | 3 |
| Microfinance | 9 | 9 | 8 | 8 | 7 | 6 | 6 |
| Housing Loans | 7 | 7 | 8 | 8 | 9 | 9 | 9 |
| Retail Agri | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Rural Vehicle Finance | 2 | 3 | 2 | 3 | 3 | 3 | 3 |
| Others | 4 | 3 | 8 | 7 | 7 | 6 | 7 |
| Retail | 58 | 59 | 62 | 62 | 61 | 60 | 60 |
| Total Advances | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

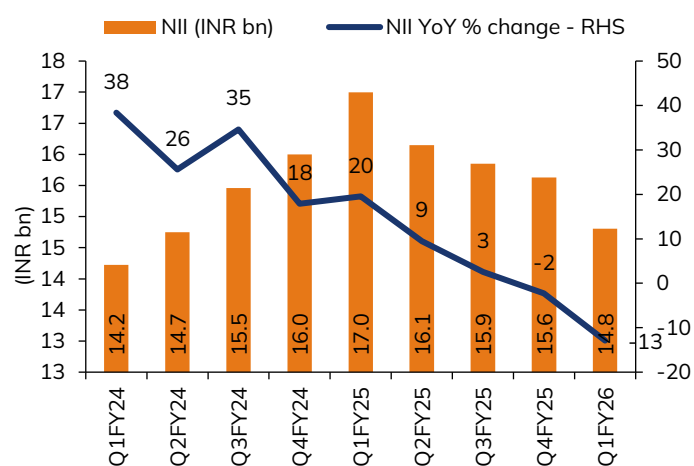
Source: Company data, I-Sec research

Exhibit 5: NIM falls sharply to 4.50%

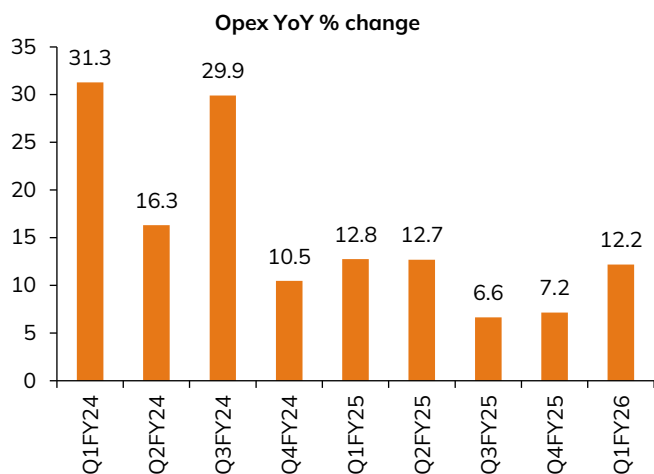


Source: Company data, I-Sec research

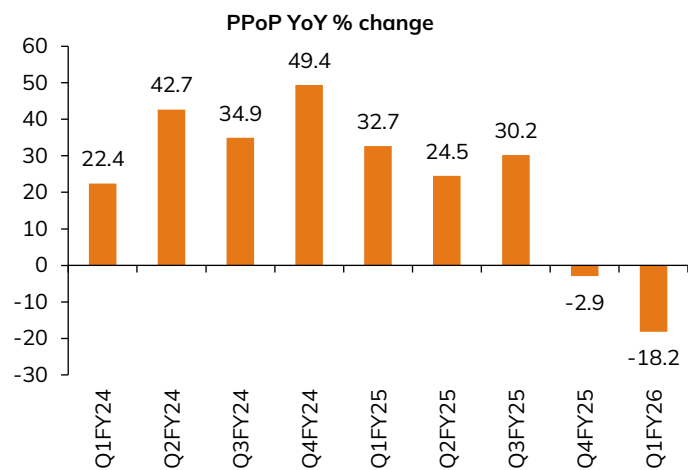
Exhibit 6: NII declined YoY



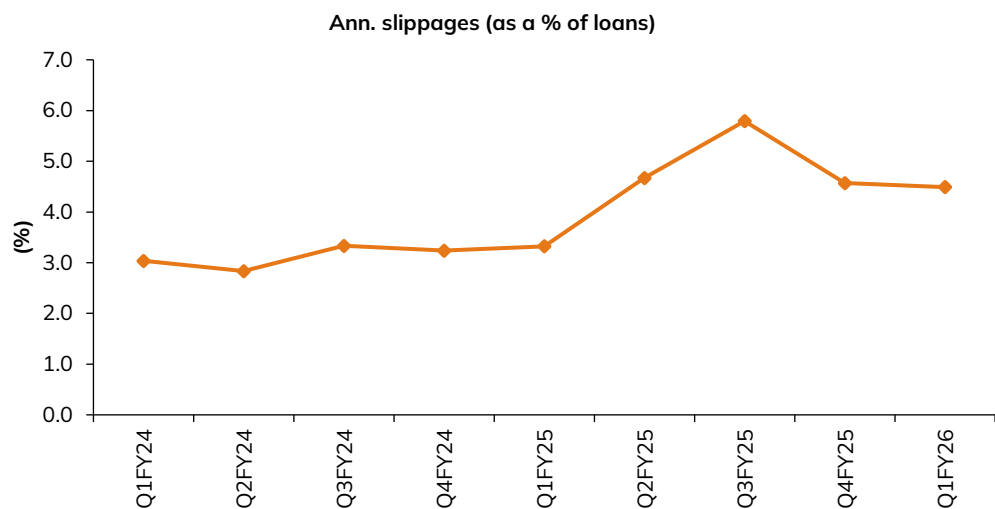
Source: Company data, I-Sec research

Exhibit 7: Opex growth under control

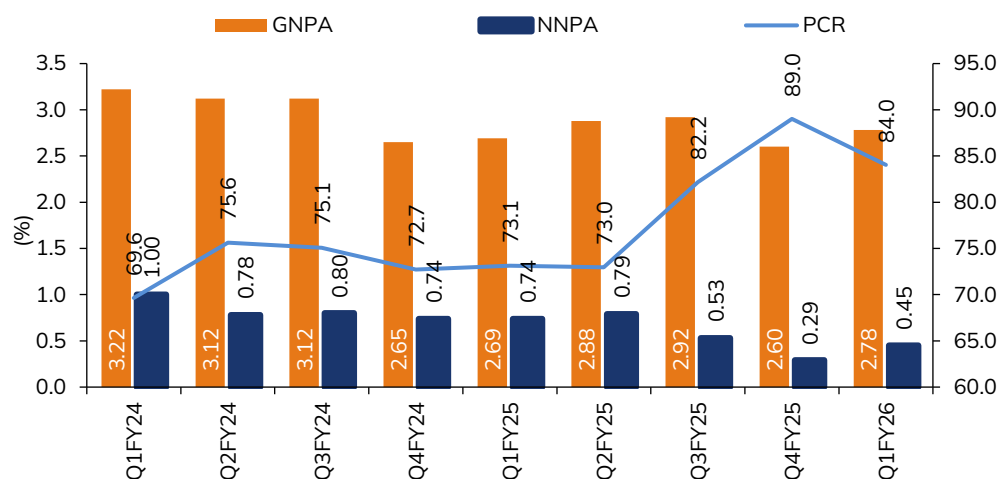
Source: Company data, I-Sec research

Exhibit 8: PPop declined YoY

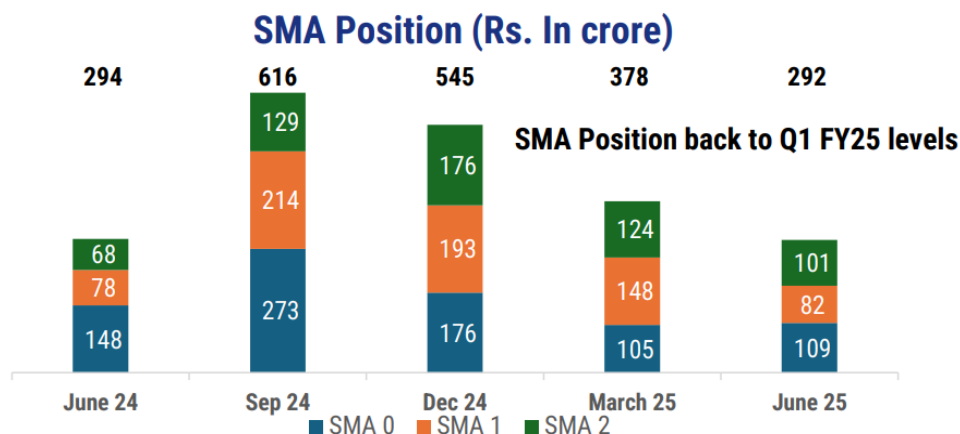
Source: Company data, I-Sec research

Exhibit 9: Slippages stable QoQ

Source: Company data, I-Sec research

Exhibit 10: Net NPA increases QoQ

Source: Company data, I-Sec research

Exhibit 11: SMA 0 +1 +2 trend

Source: I-Sec research, Company data

Exhibit 12: Shareholding pattern

| % | Dec'24 | Mar'25 | Jun'25 |
|-------------------------|--------|--------|--------|
| Promoters | 0.0 | 0.0 | 0.0 |
| Institutional investors | 31.4 | 35.6 | 52.3 |
| MFs and other | 12.4 | 15.3 | 29.2 |
| Banks/ FIs | 1.2 | 1.2 | 1.2 |
| Insurance Cos. | 3.0 | 3.0 | 3.3 |
| FIs | 14.8 | 16.1 | 18.6 |
| Others | 68.6 | 64.4 | 47.7 |

Source: Bloomberg, I-Sec research

Exhibit 13: Price chart

Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 14: Profit & Loss

(INR mn, year ending March)

| | FY24A | FY25A | FY26E | FY27E |
|------------------------------|---------------|-----------------|-----------------|-----------------|
| Interest income | 1,23,943 | 1,40,391 | 1,44,215 | 1,68,545 |
| Interest expense | 63,514 | 75,761 | 79,658 | 88,150 |
| Net interest income | 60,429 | 64,630 | 64,557 | 80,395 |
| Non-interest income | 30,429 | 38,062 | 42,238 | 46,038 |
| Operating income | 90,858 | 1,02,692 | 1,06,795 | 1,26,433 |
| Operating expense | 60,550 | 66,424 | 73,880 | 84,663 |
| Staff expense | 14,922 | 17,344 | 20,149 | 23,345 |
| Operating profit | 30,308 | 36,268 | 32,915 | 41,770 |
| Core operating profit | 28,723 | 33,568 | 29,415 | 40,270 |
| Provisions & Contingencies | 17,785 | 29,587 | 18,171 | 19,321 |
| Pre-tax profit | 12,523 | 6,681 | 14,744 | 22,449 |
| Tax (current + deferred) | 844 | (272) | 3,539 | 5,612 |
| Net Profit | 11,679 | 6,954 | 11,206 | 16,837 |
| Adjusted net profit | 11,679 | 6,954 | 11,206 | 16,837 |

Source Company data, I-Sec research

Exhibit 15: Balance sheet

(INR mn, year ending March)

| | FY24A | FY25A | FY26E | FY27E |
|---------------------------------------|------------------|------------------|------------------|------------------|
| Cash and balance with RBI/Banks | 1,44,166 | 1,25,596 | 1,19,548 | 1,27,592 |
| Investments | 2,95,759 | 3,21,648 | 3,47,852 | 3,81,733 |
| Advances | 8,39,869 | 9,26,183 | 10,47,115 | 11,95,130 |
| Fixed assets | 5,324 | 5,772 | 6,494 | 7,268 |
| Other assets | 99,205 | 88,057 | 1,07,190 | 1,31,043 |
| Total assets | 13,84,322 | 14,67,255 | 16,28,199 | 18,42,765 |
| Deposits | 10,34,936 | 11,09,435 | 12,54,000 | 14,25,687 |
| Borrowings | 1,41,841 | 1,37,338 | 1,52,446 | 1,69,215 |
| Other liabilities and provisions | 59,581 | 64,413 | 55,377 | 65,997 |
| Share capital | 6,051 | 6,079 | 6,079 | 6,079 |
| Reserve & surplus | 1,41,913 | 1,49,989 | 1,60,298 | 1,75,788 |
| Total equity & liabilities | 13,84,322 | 14,67,255 | 16,28,199 | 18,42,765 |
| % Growth | 19.5 | 6.0 | 11.0 | 13.2 |

Source Company data, I-Sec research

Exhibit 16: Key ratios

(Year ending March)

| | FY24A | FY25A | FY26E | FY27E |
|---|------------|------------|------------|------------|
| No. of shares and per share data | | | | |
| No. of shares (mn) | 605 | 608 | 608 | 608 |
| Adjusted EPS | 19.4 | 11.5 | 18.4 | 27.7 |
| Book Value per share | 245 | 257 | 274 | 299 |
| Adjusted BVPS | 237 | 253 | 267 | 292 |
| Valuation ratio | | | | |
| PER (x) | 13.6 | 23.0 | 14.3 | 9.5 |
| Price/ Book (x) | 1.1 | 1.0 | 1.0 | 0.9 |
| Price/ Adjusted book (x) | 1.1 | 1.0 | 1.0 | 0.9 |
| Dividend Yield (%) | 0.6 | 0.4 | 0.6 | 0.8 |
| Profitability ratios (%) | | | | |
| Yield on advances | 12.9 | 12.7 | 11.7 | 12.2 |
| Yields on Assets | 9.7 | 9.8 | 9.3 | 9.7 |
| Cost of deposits | 5.7 | 6.0 | 5.7 | 5.5 |
| Cost of funds | 5.0 | 5.3 | 5.1 | 5.1 |
| NIMs | 5.2 | 4.9 | 4.5 | 5.0 |
| Cost/Income | 66.6 | 64.7 | 69.2 | 67.0 |
| Dupont Analysis (as % of Avg Assets) | | | | |
| Interest Income | 9.7 | 9.8 | 9.3 | 9.7 |
| Interest expended | 5.0 | 5.3 | 5.1 | 5.1 |
| Net Interest Income | 4.8 | 4.5 | 4.2 | 4.6 |
| Non-interest income | 2.4 | 2.7 | 2.7 | 2.7 |
| Trading gains | 0.1 | 0.2 | 0.2 | 0.1 |
| Fee income | 2.3 | 2.5 | 2.5 | 2.6 |
| Total Income | 7.1 | 7.2 | 6.9 | 7.3 |
| Total Cost | 4.8 | 4.7 | 4.8 | 4.9 |
| Staff costs | 1.2 | 1.2 | 1.3 | 1.3 |
| Non-staff costs | 3.6 | 3.4 | 3.5 | 3.5 |
| Operating Profit | 2.4 | 2.5 | 2.1 | 2.4 |
| Core Operating Profit | 2.3 | 2.4 | 1.9 | 2.3 |
| Non-tax Provisions | 1.4 | 2.1 | 1.2 | 1.1 |
| PBT | 1.0 | 0.5 | 1.0 | 1.3 |
| Tax Provisions | 0.1 | 0.0 | 0.2 | 0.3 |
| Return on Assets (%) | 0.9 | 0.5 | 0.7 | 1.0 |
| Leverage (x) | 9.0 | 9.4 | 9.6 | 10.0 |
| Return on Equity (%) | 8.2 | 4.6 | 7.0 | 9.7 |
| Asset quality ratios (%) | | | | |
| Gross NPA | 2.7 | 2.6 | 2.8 | 2.6 |
| Net NPA | 0.7 | 0.3 | 0.5 | 0.5 |
| PCR | 72.7 | 89.0 | 82.0 | 82.0 |
| Gross Slippages | 3.5 | 4.9 | 3.8 | 3.0 |
| LLP / Avg loans | 1.9 | 4.0 | 2.2 | 1.9 |
| Total provisions / Avg loans | 2.3 | 3.4 | 1.8 | 1.7 |
| Net NPA / Networth | 4.2 | 1.7 | 3.2 | 3.2 |
| Capitalisation ratios (%) | | | | |
| Core Equity Tier 1 | 14.4 | 14.1 | 13.2 | 12.7 |
| Tier 1 cap. adequacy | 14.4 | 14.1 | 13.2 | 12.7 |
| Total cap. adequacy | 16.2 | 15.5 | 14.5 | 13.8 |

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com and Kadambari_balachandran@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Jai Prakash Mundhra, MBA; Hardik Shah, CA; authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report.

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the "Mandatory terms and conditions" and "Most Important Terms and Conditions. ([Link](#))

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : complianceofficer@icicisecurities.com

For any queries or grievances: [Mr. Bhavesh Soni](#) Email address: headsservicequality@icicidirect.com Contact Number: 18601231122
