

RBL's 2Q PAT stood at Rs4.8bn/ROA at 0.9%, which is 4% below our estimates largely due to higher provisions (32% above our estimate). However, the bank continues to report accelerated growth driven by broad-based growth along with FCNR B leverage, while its cards portfolio is muted. RBL carries surplus liquidity, which it plans to deploy into wholesale and secured retail lending. Margins are expected to moderate in 3QFY27 due to the full-quarter impact of FCNR(B)-led leverage and surplus funds parked in lower-yielding assets, and partly offset by repo rate hike benefits, before recovering gradually in 4QFY27. Asset quality continued to improve, with gross slippages at 2.5% of loans, albeit still elevated. So far, the management has not seen any stress from the rural business or the Middle East conflict, although it remains watchful. However, the management expects card slippages to stabilize at ~Rs4bn in 3Q/4QFY27. We tweak our earnings estimates and retain BUY on RBL, while raising TP by 10.5% to Rs475 from Rs430 (roll forward to 1.6x Sep-28E ABV).

Credit growth accelerates; margin recovery likely in 4QFY27

Credit growth accelerated to ~42% yoy/~22% qoq, driven by broad-based growth across segments along with FCNR B leverage, while the cards portfolio remained muted. The bank continues to hold surplus liquidity, which was partly utilized to retire high-cost borrowings and bulk TDs, with the rest deployed in short-term investments and wholesale loans. Going forward, the bank plans to deploy this liquidity into wholesale lending and secured retail expansion. Management expects credit card balances to stabilize in the coming quarter and retrace positive growth over the next 6M. Margins are likely to decline modestly next quarter due to the full-quarter impact of FCNR(B)-led leverage and surplus liquidity parked in lower-yielding assets, partly offset by repo rate hike benefits before likely gradually recovering in 4Q as funds are deployed into advances.

Asset quality improves; card slippages expected to stabilize in 2HFY27

Gross slippages improved (albeit remaining elevated) to Rs8.9bn (2.5% of loans) which, coupled with higher write-off, led to a 28bps improvement in GNPA at 1.0%. However, slippages for cards has improved (though still elevated), while MFI slippages increased qoq. Further, Management indicated Retail collections, including rural businesses, were stable, with no material impact from the Middle East conflict so far. Management expects card slippages to stabilize at ~Rs4bn in 3Q/4QFY27, with credit costs declining to ~6% from a low double-digit level.

We retain BUY on RBL; raise TP by 10.5% to Rs475

We tweak our earnings estimates and expect the bank to deliver a gradual improvement in ROA to 1-1.3% over FY27-29E. We retain BUY, while revising up our TP by 10.5% to Rs475 from Rs430, based on 1.6x Sep-28E ABV. Key risks: Delay in asset quality recovery in MFI/cards, slower business growth, and KMP attrition.

Target Price – 12M	Sep-27
Change in TP (%)	10.5
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	13.6

Stock Data	RBK IN
52-week High (Rs)	430
52-week Low (Rs)	286
Shares outstanding (mn)	1,552.3
Market-cap (Rs bn)	648
Market-cap (USD mn)	6,770
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	5.3
ADTV-3M (Rs mn)	1,772.7
ADTV-3M (USD mn)	18.5
Free float (%)	97.7
Nifty-50	22,363.3
INR/USD	95.8

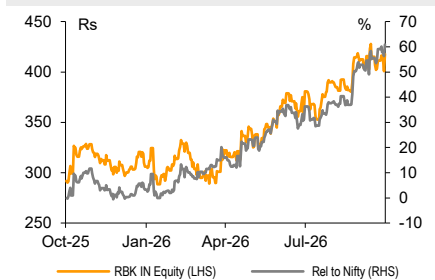
Shareholding, Sep-26

Promoters (%)	59.9
FPIs/MFs (%)	8.1/19.1

Price Performance

(%)	1M	3M	12M
Absolute	1.2	9.7	43.2
Rel. to Nifty	5.9	18.8	62.0

1-Year share price trend (Rs)



RBL Bank: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profit	6,954	8,224	20,247	27,884	38,543
Loan growth (%)	10.3	23.3	28.7	20.0	19.9
NII growth (%)	7.0	(1.6)	32.7	27.3	18.1
NIM (%)	4.9	4.2	4.4	4.6	4.7
PPOP growth (%)	19.7	(9.0)	56.3	24.4	23.2
Adj. EPS (Rs)	11.5	13.4	18.7	18.0	24.8
Adj. EPS growth (%)	(40.9)	17.0	39.1	(3.7)	38.2
Adj. BV (INR)	254.0	263.3	278.5	291.9	311.0
Adj. BVPS growth (%)	6.7	3.7	5.8	4.8	6.5
RoA (%)	0.5	0.5	1.0	1.1	1.3
RoE (%)	4.6	5.1	6.7	6.2	8.2
P/E (x)	36.4	31.1	22.4	23.2	16.8
P/ABV (x)	1.6	1.6	1.5	1.4	1.3

Source: Company, Emkay Research

Avinash Singh

avinash.singh@emkayglobal.com
+91-22-662121327

Nikhil Vaishnav

nikhil.vaishnav@emkayglobal.com
+91-22-66242485

Aman Mehta

aman.mehta@emkayglobal.com
+91-22-662121275

Key concall takeaways

Outlook on loans, deposits, and NIM

- The bank has added liquidity equivalent to 35% of its balance sheet following capital raise and deposit mobilization under the FCNRB scheme. Further, it has utilized this liquidity to prepay or forgo renewal of higher-cost borrowings and bulk TDs.
- The remaining liquidity has been tactically deployed across short-term investments and short-term loans to wholesale customers. The bank expects to continue tactically deploying its surplus liquidity over the next few months, with full deployment expected over the medium term.
- The bank plans to deploy liquidity toward wholesale banking and also expand secured retail lending through the branch banking channel.
- The bank expects its credit card portfolio to stop declining, potentially from coming quarter onward, supported by seasonal demand during the festive period. Management expects card balances to gradually recover as the portfolio stabilizes and new customer acquisition improves. Management would be comfortable with a high single-digit to a low double-digit growth in its credit card portfolio.
- The bank expects credit card balances to return to growth over the next six months, with 10–12% growth target for next year. MFI is expected to deliver ~25% yoy growth, with qoq growth of ~5–6%. The bank's MFI strategy is primarily to meet its PSL requirements rather than use the segment as a key driver of overall growth.
- The decline in CASA deposits is partly attributable to the bank's conscious decision to reduce CASA interest rates. Such rate cuts typically result in some deposit outflows initially, with mobilization recovering gradually as customers adjust to revised rates.
- With the cost of corporate deposits and borrowings already declining, the bank will continue to focus on building a granular retail deposit base. The bank has initiated a gradual rationalization of deposit rates across both savings and term deposits.
- The bank follows a 90-day reset cycle, with most loans expected to be repriced by the end of the quarter, allowing the full benefit to flow through the following quarter. Around 58% of the loan book is linked to EBLR, including 32% linked to repo rate, 11% to the FCI benchmark, and 12% to other external benchmarks, while the remaining 3.5–4% is linked to the bank's internal MCLR.
- Management expects margins to decline slightly in the next quarter, as a significant portion of the surplus liquidity remains deployed in lower-yielding investments and advances growth depends on the availability of suitable lending opportunities. Margins are expected to gradually improve in 4Q as the bank deploys liquidity into regular advances and improves its asset mix.
- The bank will see the full-quarter impact of FCNR(B)-led leverage in the next quarter, compared with only around 1-1½ months of impact in current quarter. This will be partly offset by the benefit of the repo rate increase, which is expected to flow through over the current and following quarters.
- Yield on advances declined to 10.8% from 11.2%, primarily due to a change in portfolio mix. At the segment level, yields were broadly stable, with a higher contribution from wholesale lending and a lower share of unsecured retail loans driving the overall movement. The FCNR(B)-led leverage also diluted the overall yield on assets. Excluding this impact, the yield would have been 10–15bps higher.
- The surplus liquidity is currently deployed in non-SLR investments, which earn lower yields than advances.
- The first stage of margin improvement will involve redeploying surplus liquidity from investments into wholesale lending, which offers higher yields. Subsequently, the bank expects the portfolio mix to gradually shift toward its blended advances yield as lending expands. However, the management expects this to take time and believes it is unlikely to be completed within 1-2 quarters.

- Over the longer term, the bank expects to reduce its cost of funds through rationalization of retail and savings deposit rates, alongside improvement in the CASA mix.
- The bank aims to support margin recovery through lower liability costs and a better deposit mix, while selectively pursuing lending opportunities over the next few quarters, even if this entails some trade-off in yields rather than a decline in yields across individual segments.

Asset quality

- Retail collections, including rural businesses, were stable during the quarter, with no disruption observed so far. However, the bank remains watchful of potential asset quality risks arising from deficient monsoons in certain districts.
- The bank has not seen any material impact so far, on its portfolio from the ongoing Middle East conflict.
- Credit card performance was in line with the bank's planned recovery trajectory, and the management expects slippages to decline materially, in line with its previous guidance. Management expects credit card slippages to stabilize to ~Rs4bn in 3QFY27 and 4QFY27. Consequently, credit costs in the credit card business are expected to decline from the low double-digit levels reported earlier to ~6%. However, it took longer than anticipated but, notably, improvement is now visible on the ground.
- Rural asset quality was stable, with no material stress seen so far. Retail collection trends remained healthy, including collections during the first week of October.

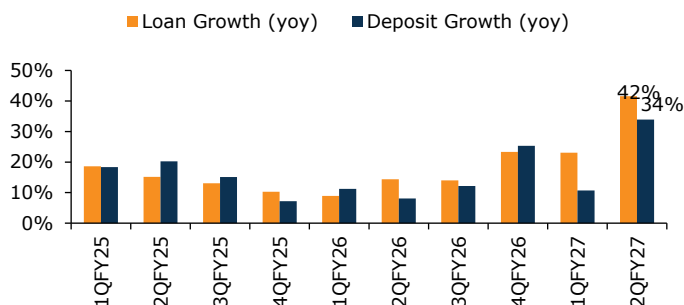
Others

- Further, the bank is targeting trade flows along corridors where ENBD has presence, as part of its broader growth strategy. The bank targets non-resident flows, initially focusing on the Middle East and subsequently expanding to other geographies where ENBD has presence.
- The bank is strengthening relationships with MNCs, particularly in the IT and IT Services sectors, with focus on liability mobilization and non-funded business, leveraging the group's cross-border capabilities and the bank's strong credit rating.
- The bank plans to add ~30-50 branches per quarter to expand its distribution network and strengthen deposit mobilization. The bank's branch expansion remains on track, with ~38 branches scheduled to open over the next couple of weeks.
- The bank earns ~Rs3.0bnpa from banker-related income, as disclosed in its AR. Management expects this income to be materially impacted, estimating a minimum decline of 50-60%.
- The bank has rationalized costs across certain areas, particularly collection costs in the credit card business, which has contributed to the recent improvement in operating expenses. Collection costs have now largely normalized, limiting the scope for further cost rationalization going forward.
- Opex is expected to gradually increase, as the bank continues to invest in branch expansion and employee additions, depending on the pace and quality of growth. The bank also plans to increase investments in wealth management, with incremental expenses expected to begin flowing through over the next couple of quarters. Management expects expense growth to remain modest, likely in a low single-digit or slightly higher, although detailed guidance will be provided after further assessment.
- Fee income increased 12% qoq, partly driven by one-off income from FCNR(B)-related currency swaps, including fixed-to-floating swaps. Over time, the bank expects fee income to improve as it scales up the trade-related business and processing activities.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions)

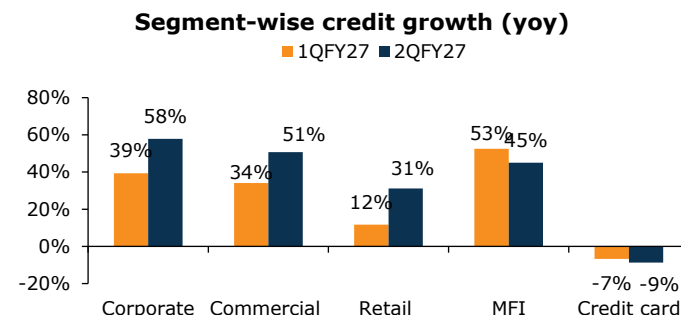
Story in charts

Exhibit 1: Credit growth is stronger vs the low of 1QFY26, largely driven by broad-based growth across segments



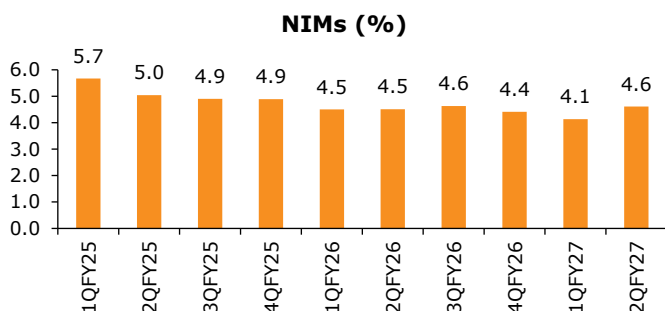
Source: Company, Emkay Research

Exhibit 2: Loan growth remained strong across all segments, including MFI, while cards segment growth was muted



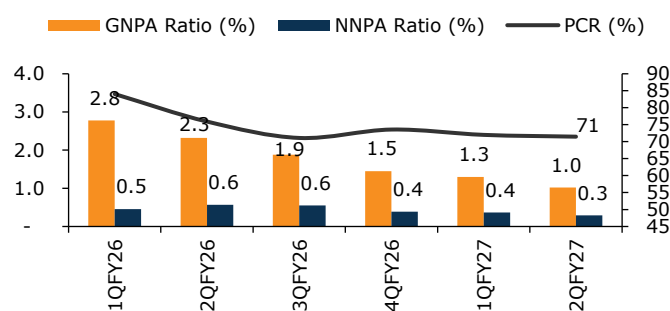
Source: Company, Emkay Research

Exhibit 3: NIM improved sharply aided by the full-quarter impact of NBD Capital infusion and lower cost of deposits partially offsetting lower yields



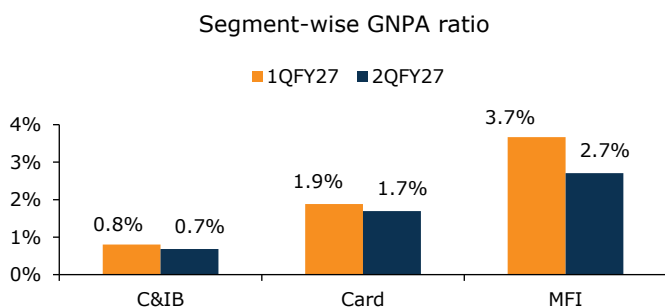
Source: Company, Emkay Research

Exhibit 4: Improvement in slippages, coupled with higher write-off, led to sequential improvement in GNPA ratio



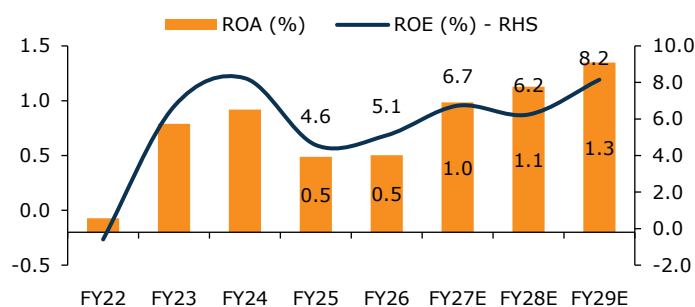
Source: Company, Emkay Research

Exhibit 5: Credit Card and MFI GNPA continues to improve, albeit remaining elevated



Source: Company, Emkay Research

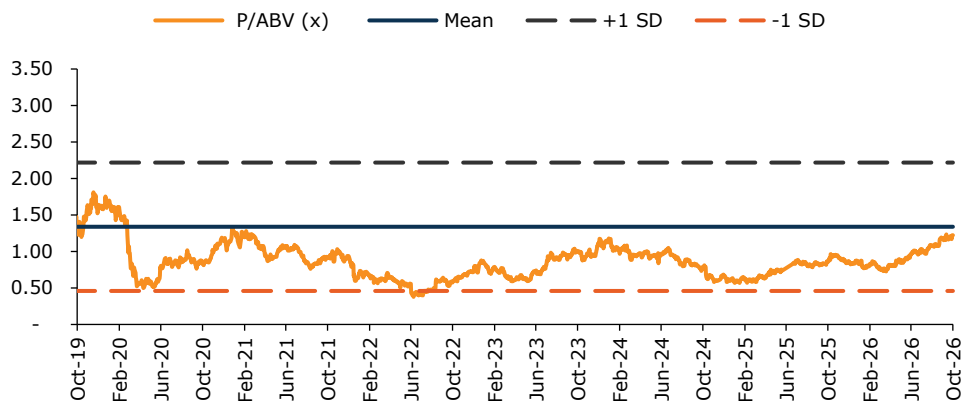
Exhibit 6: Stronger growth, margins, and asset quality to help improve ROA to 1-1.3% over FY26-29E



Source: Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

Exhibit 7: The stock currently trades at reasonable valuations



Source: Bloomberg, Emkay Research

Exhibit 8: Actuals vs estimates (2QFY27)

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	32,083	31,956	31,251	0%	3%	Net income largely in line, led by an almost in line NII
PPOP	13,961	12,494	11,878	12%	18%	In line NII as well as lower opex led to the PPOP beat
PAT	4,818	5,020	4,689	-4%	3%	Higher provisions cause the PAT miss

Source: Emkay Research

Exhibit 9: Quarterly summary

(Rs mn)	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	yoy (%)	qoq (%)	FY26	FY27E	yoy (%)
Interest earned	35,075	36,667	37,203	38,403	43,221	23	13	143,356	174,291	22
Interest expense	19,568	20,095	20,493	21,858	21,912	12	0	79,760	89,885	13
Net interest income	15,507	16,572	16,710	16,545	21,309	37	29	63,595	84,407	33
Global NIMs (reported)	4.5	4.6	4.4	4.1	4.6	10bps	48bps	4.2	4.4	22bps
Non-interest income	9,327	10,503	10,690	9,594	10,774	16	12	41,214	44,906	9
Operating expenses	17,550	17,951	17,845	16,911	18,122	3	7	71,818	77,741	8
Pre-provisioning profit	7,284	9,124	9,554	9,228	13,961	92	51	32,992	51,572	56
Provision and contingencies	4,997	6,393	6,783	5,993	7,665	53	28	22,596	24,932	10
PBT	2,287	2,732	2,771	3,235	6,296	175	95	10,395	26,640	156
Income tax expense (gain)	502	593	474	698	1,478	195	112	2,171	6,394	NM
Net profit/(loss)	1,785	2,139	2,297	2,537	4,818	170	90	8,224	20,247	146
Gross NPA (%)	2.3	1.9	1.5	1.3	1.0	-130bps	-28bps	1.5	1.3	-20bps
Net NPA (%)	0.6	0.6	0.4	0.4	0.3	-28bps	-8bps	0.4	0.3	-5bps
Deposits (Rs bn)	1,167	1,197	1,390	1,248	1,563	34	25	1,390	1,643	18
Net advances (Rs bn)	1,005	1,031	1,142	1,162	1,423	42	22	1,142	1,470	29

Source: Company, Emkay Research

Exhibit 10: Revision in estimates

Y/E Mar (Rs mn)	FY27E			FY28E			FY29E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Net income	124,834	129,313	3.6%	152,629	160,144	4.9%	176,499	189,015	7.1%
PPOP	47,093	51,572	9.5%	62,385	64,169	2.9%	71,611	79,083	10.4%
PAT	18,843	20,247	7.4%	30,853	27,884	-9.6%	38,250	38,543	0.8%
EPS (Rs)	17.4	18.7	7.3%	19.9	18.0	-9.7%	24.7	24.8	0.6%
BV (Rs)	280.3	280.9	0.2%	296.2	294.8	-0.5%	315.8	314.7	-0.4%

Source: Emkay Research

Exhibit 11: Key assumptions

(%)	FY26A	FY27E	FY28E	FY29E
Loan growth	23.3	28.7	20.0	19.9
Deposit growth	25.3	18.2	17.7	18.1
NIM	4.2	4.4	4.6	4.7
GNPA	1.5	1.3	1.3	1.3
Credit cost	2.2	1.8	1.6	1.4

Source: Emkay Research

Exhibit 12: Key ratios and trends

(Rs mn)	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Loans	878,823	904,120	926,183	944,310	1,005,286	1,030,860	1,142,319	1,162,230	1,423,141
Loans yoy (%)	15.1	13.1	10.3	8.9	14.4	14.0	23.3	23.1	41.6
Loans qoq (%)	1.4	2.9	2.4	2.0	6.5	2.5	10.8	1.7	22.4
Liability profile (%)									
CASA	33.6	32.8	34.1	32.5	31.9	30.9	33.6	30.0	27.0
CA	15.3	13.8	16.2	15.7	14.9	13.8	18.6	13.0	13.0
SA	18.2	19.1	18.0	16.8	17.0	17.1	15.0	17.0	14.0
No of branches	550	558	561	562	564	580	603	628	628
NIM	5.0	4.9	4.9	4.50	4.51	4.63	4.41	4.13	4.61
Yield on advances	13.54	13.30	13.00	12.50	12.26	12.13	11.64	11.21	10.80
Cost of deposits	6.53	6.60	6.50	6.53	6.26	6.20	5.92	6.09	5.94
Asset quality									
GNPA (%)	2.9	2.9	2.6	2.8	2.3	1.9	1.5	1.3	1.0
NNPA (%)	0.8	0.5	0.3	0.5	0.6	0.6	0.4	0.4	0.3
PCR (%)	73.0	82.2	89.0	84.0	75.9	71.1	73.6	74.0	71.5
Slippages	10,260	13,090	10,580	10,600	9,250	9,090	9,250	9,200	8,940
Slippages - annualized (%)	5.4	6.5	5.0	4.9	4.2	4.0	4.0	3.9	3.6
CAR (%)	15.9	15.4	15.5	15.6	15.0	14.9	14.3	33.3	30.1
Tier I (%)	14.2	13.7	14.1	14.1	13.5	13.5	12.8	32.2	29.0
ROE decomposition on total assets (%)									
NII	4.6	4.5	4.3	4.0	4.1	4.3	4.0	3.6	4.2
Other income (excluding treasury)	2.4	2.7	2.5	2.1	2.4	2.5	2.5	2.0	0.6
Treasury	0.3	0.3	0.3	0.7	0.0	0.2	0.0	0.1	1.5
Opex	4.7	4.7	4.7	5.0	4.6	4.6	4.2	3.7	3.6
PPOP	2.6	2.8	2.4	1.9	1.9	2.3	2.3	2.0	2.7
Provisioning cost	1.8	3.3	2.2	1.2	1.3	1.6	1.6	1.3	1.5
PBT	0.8	(0.5)	0.2	0.7	0.6	0.7	0.7	0.7	1.2
Tax	0.2	(0.6)	0.0	0.2	0.1	0.2	0.1	0.2	0.3
ROA	0.6	0.1	0.2	0.5	0.5	0.5	0.5	0.6	0.9
ROE	5.8	0.8	1.8	5.1	4.5	5.3	5.6	3.4	4.5

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

RBL Bank: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	140,391	143,356	174,291	206,968	237,826
Interest Expense	75,760	79,760	89,885	99,524	110,895
Net interest income	64,630	63,595	84,407	107,444	126,931
NII growth (%)	7.0	(1.6)	32.7	27.3	18.1
Other income	38,062	41,214	44,906	52,700	62,084
Total Income	102,692	104,810	129,313	160,144	189,015
Operating expenses	66,424	71,818	77,741	95,975	109,932
PPOP	36,268	32,992	51,572	64,169	79,083
PPOP growth (%)	19.7	(9.0)	56.3	24.4	23.2
Core PPOP	32,827	29,085	48,251	61,181	76,543
Provisions & contingencies	29,587	22,596	24,932	26,906	27,576
PBT	6,681	10,395	26,640	37,264	51,507
Extraordinary items	-	-	-	-	-
Tax expense	(272)	2,171	6,394	9,379	12,964
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	6,954	8,224	20,247	27,884	38,543
PAT growth (%)	(40.5)	18.3	146.2	37.7	38.2
Adjusted PAT	6,954	8,224	20,247	27,884	38,543
Diluted EPS (Rs)	11.5	13.4	18.7	18.0	24.8
Diluted EPS growth (%)	(40.9)	17.0	39.1	(3.7)	38.2
DPS (Rs)	1.5	2.0	4.3	4.0	5.0
Dividend payout (%)	13.1	15.0	23.0	22.3	20.1
Effective tax rate (%)	(4.1)	20.9	24.0	25.2	25.2
Net interest margins (%)	4.9	4.2	4.4	4.6	4.7
Cost-income ratio (%)	64.7	68.5	60.1	59.9	58.2
Shares outstanding (mn)	607.9	618.1	1,551.7	1,551.7	1,551.7

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
Gross NPLs	24,655	16,750	18,604	22,343	28,432
Net NPLs	2,708	4,427	5,023	6,033	7,677
GNPA ratio (%)	2.6	1.5	1.3	1.3	1.3
NNPA ratio (%)	0.3	0.4	0.3	0.3	0.4
Provision coverage (%)	89.0	73.6	73.0	73.0	73.0
Gross slippages	41,127	38,191	37,093	37,390	37,390
Gross slippage ratio (%)	4.3	3.3	2.5	2.1	1.9
LLP ratio (%)	3.5	2.2	1.8	1.6	1.4
NNPA to networth (%)	1.7	2.6	1.1	1.3	1.5
Capital adequacy					
Total CAR (%)	15.5	14.2	27.2	25.0	22.8
Tier-1 (%)	14.1	12.8	26.1	24.0	21.9
CET-1 (%)	14.1	12.8	26.1	24.0	24.0
RWA-to-Total Assets (%)	71.4	68.3	71.0	71.0	71.0
Miscellaneous					
Total income growth (%)	15.6	3.4	18.8	18.5	15.5
Opex growth (%)	9.7	8.1	8.2	23.5	14.5
Core PPOP growth (%)	13.4	(11.4)	65.9	26.8	25.1
PPOP margin (%)	20.3	17.9	23.5	24.7	26.4
PAT/PPOP (%)	19.2	24.9	39.3	43.5	48.7
LLP-to-Core PPOP (%)	90.1	77.7	51.7	44.0	36.0
Yield on advances (%)	12.8	11.3	11.0	10.7	10.4
Cost of funds (%)	6.3	5.7	5.4	5.1	4.9

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	6,079	6,181	15,517	15,517	15,517
Reserves & surplus	149,989	159,858	420,303	441,980	472,765
Net worth	156,068	166,039	435,819	457,497	488,282
Deposits	1,109,435	1,390,176	1,643,397	1,934,816	2,285,306
Borrowings	137,338	167,945	142,753	149,891	157,385
Interest bearing liab.	1,246,774	1,558,121	1,786,150	2,084,707	2,442,691
Other liabilities & prov.	64,413	82,688	83,620	94,838	150,409
Total liabilities & equity	1,467,255	1,806,848	2,305,589	2,637,042	3,081,382
Net advances	926,183	1,142,319	1,470,133	1,764,147	2,115,793
Investments	321,647	320,782	421,453	460,711	528,432
Cash, other balances	125,596	230,644	285,784	271,012	280,910
Interest earning assets	1,373,426	1,693,745	2,177,371	2,495,870	2,925,135
Fixed assets	5,772	5,660	6,196	7,161	8,269
Other assets	88,057	107,443	122,021	134,011	147,978
Total assets	1,467,255	1,806,848	2,305,589	2,637,042	3,081,382
BVPS (Rs)	256.7	268.6	280.9	294.8	314.7
Adj. BVPS (INR)	254.0	263.3	278.5	291.9	311.0
Gross advances	948,129	1,154,642	1,483,715	1,780,457	2,136,549
Credit to deposit (%)	83.5	82.2	89.5	91.2	92.6
CASA ratio (%)	34.1	33.6	33.2	33.0	33.1
Cost of deposits (%)	6.1	5.6	5.3	5.1	4.9
Loans-to-Assets (%)	63.1	63.2	63.8	66.9	68.7
Net advances growth (%)	10.3	23.3	28.7	20.0	19.9
Deposit growth (%)	7.2	25.3	18.2	17.7	18.1
Book value growth (%)	5.0	4.6	4.6	5.0	6.7

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	36.4	31.1	22.4	23.2	16.8
P/B (x)	1.6	1.6	1.5	1.4	1.3
P/ABV (x)	1.6	1.6	1.5	1.4	1.3
P/PPOP (x)	17.9	19.7	12.6	10.1	8.2
Dividend yield (%)	0.4	0.5	1.0	1.0	1.2
DuPont-RoE split (%)					
NII/avg assets	4.5	3.9	4.1	4.3	4.4
Other income	0.2	0.2	0.2	0.1	0.1
Fee income	2.4	2.3	2.0	2.0	2.1
Opex	4.7	4.4	3.8	3.9	3.8
PPOP	2.5	2.0	2.5	2.6	2.8
Core PPOP	2.3	1.8	2.3	2.5	2.7
Provisions	2.1	1.4	1.2	1.1	1.0
Tax expense	0.0	0.1	0.3	0.4	0.5
RoA (%)	0.5	0.5	1.0	1.1	1.3
Leverage ratio (x)	9.4	10.2	6.8	5.5	6.0
RoE (%)	4.6	5.1	6.7	6.2	8.2

Quarterly data					
Rs mn, Y/E Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY26	Q2FY27
NII	15,507	16,572	16,710	16,545	21,309
NIM (%)	4.5	4.6	4.4	4.1	4.6
PPOP	7,284	9,124	9,554	9,228	13,961
PAT	1,785	2,139	2,297	2,537	4,818
EPS (Rs)	2.9	3.5	3.7	4.1	7.9

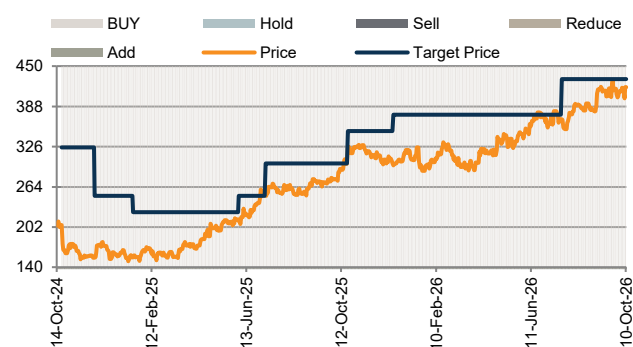
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
08-Oct-26	401	430	Buy	Avinash Singh
20-Jul-26	368	430	Buy	Avinash Singh
10-Jul-26	381	375	Buy	Avinash Singh
27-Apr-26	313	375	Buy	Anand Dama
18-Jan-26	325	375	Buy	Anand Dama
17-Dec-25	297	375	Buy	Anand Dama
20-Oct-25	327	350	Buy	Anand Dama
20-Jul-25	263	300	Buy	Anand Dama
07-Jul-25	255	300	Buy	Anand Dama
03-Jun-25	211	250	Buy	Anand Dama
26-Apr-25	188	225	Buy	Anand Dama
09-Apr-25	169	225	Buy	Anand Dama
19-Jan-25	155	225	Buy	Anand Dama
01-Dec-24	155	250	Buy	Anand Dama
20-Oct-24	205	325	Buy	Anand Dama

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

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 clients simultaneously, not all clients may receive this report at the same time. 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.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. 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 research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions.com)

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, 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 or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons¹ may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of October 13, 2026
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report

Disclosure of previous investment recommendation produced:

- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of October 13, 2026
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the October 13, 2026
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions)

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. 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 research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

CHIRAG
UTTAM
JAIN

Digitally signed
by CHIRAG

UTTAM JAIN

Date: 2026.10.13

02:17:45 +05'30'

intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)