15 July 2026

1QFY27 Results Update | Sector: Financials

HDB Financial Services

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	HDBFS IN
Equity Shares (m)	830
M.Cap.(INRb)/(USDb)	624.2 / 6.5
52-Week Range (INR)	848 / 555
1, 6, 12 Rel. Per (%)	7/5/-6
12M Avg Val (INR M)	870

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Total Income	89.7	104.6	119.5
PPP	61.2	72.7	84.5
PAT	25.4	33.1	39.5
EPS (INR)	30.6	39.8	47.6
EPS Gr. (%)	12.1	30	19.5
BV (INR)	249	289	336
Ratios			
NIM (%)	8.2	8.5	8.4
C/I ratio (%)	41.1	39.9	39.0
RoAA (%)	2.2	2.5	2.6
RoE (%)	13.9	14.8	15.2
Valuation			
P/E (x)	24.5	18.9	15.8
P/BV (x)	3.0	2.6	2.2
Div. Yield (%)	0.5	0.7	0.8

Shareholding pattern (%)

As of	Mar-26	Dec-25
Promoter	74.1	74.2
DII	12.3	11.4
FII	3.2	3.6
Others	10.4	10.9

FII includes depository receipts

CMP: INR752 | TP: INR810 (+8%) | Neutral

Steady quarter; growth recovery remains the key monitorable

NIM expands ~12bp QoQ; asset quality improves in a seasonally weak 1Q

- HDB Financial Services (HDBFIN)'s 1QFY27 PAT rose 38% YoY to ~INR7.85b (~5% beat). NII grew 20% YOY to ~INR25.1b (in line). Other income stood at ~INR6.8b (up 7% YoY).
- Opex grew ~8% YoY to ~INR14.3b (in line). The cost-to-income ratio (CIR) in the lending business dipped ~280bp YoY to 39.9% (PY: 42.7%/PQ: 39.5%).
- Yields (calc.) rose ~20bp QoQ to 14.2% while CoB (calc.) declined ~4bp QoQ to 7%, leading to spreads (calc.) improving ~20bp QoQ to ~7.2%. Reported NIM in 1QFY27 rose ~12bp QoQ to ~8.35%.
- Management reiterated that its focus remains on maximizing risk-adjusted returns rather than pursuing growth or expanding yields. Gross yields remained broadly stable despite a competitive environment, while management guided the cost of funds to remain largely range-bound during 2QFY27. We estimate NIM of 8.5%/8.4% in FY27/FY28E (vs. 8.25% in FY26).
- The company highlighted that it has completed the portfolio repositioning exercise in asset finance by reducing exposure to high-ticket, low-return products and sharpening focus on segments with superior risk-adjusted returns. With the transition largely complete, the company expects loan growth in asset finance and enterprise lending to accelerate over the coming quarters.
- HDBFIN continued to witness improvement across key operating metrics, supported by strengthening asset quality, stable credit costs, and expanding margins. However, overall loan growth remains relatively subdued amid segment-specific challenges. While management expects growth to improve as the benefits of initiatives undertaken over the past few quarters materialize, we would await clearer and more sustained traction in loan growth before turning constructive on the stock.
- We raise our FY27/FY28 EPS estimates by 4%/2% to factor in slightly better margins and lower credit costs. We estimate a CAGR of 16%/16%/25% in disbursement/loans/PAT over FY26-28E, with RoA/RoE of ~2.6%/15.2% in FY28. **Reiterate Neutral with a TP of INR810 (based on 2.4x Mar'28E BVPS).**
- **Key risks:** 1) Business momentum remaining tepid; and 2) rising competition in semi-urban and rural lending, resulting in potential yield compression.

Disbursements rise 16% YoY, but loan growth still muted at ~11% YoY

- The total loan book grew 11.4% YoY and ~2.8% QoQ to INR1.22t. The Enterprise lending loan book grew 8% YoY/2% QoQ, Asset finance grew 9% YoY/ 0.6% QoQ, and Consumer Finance grew 21% YoY/7.5% QoQ in 1Q.
- Disbursements grew 16% YoY to INR176b. Enterprise lending disbursements rose ~14% YoY, Asset finance disbursements increased 3% YoY, and Consumer finance disbursements grew 26% YoY. Repayments (annualized) were stable YoY at 48% (PQ: ~56%).
- Management expects the growth initiatives implemented over the past several quarters to progressively translate into stronger business momentum as execution gains traction. We model a loan CAGR of ~16% over FY26-28E.

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Asset quality improves; credit costs stable sequentially

- Asset quality improved with GNPA declining ~10bp QoQ to ~2.35% while NS3 declined ~5bp QoQ to ~1.05%. PCR rose ~20bp QoQ to ~55.7%. An increase in Stage 2 at ~40bp QoQ was also relatively contained. Operational improvements implemented since Jan'26 have begun yielding measurable benefits.
- Credit costs stood at ~INR7b (in line). Annualized credit costs stood at ~2.3% (PQ: ~2.3% and PY: ~2.5%). HDBFIN highlighted a broad-based improvement in asset quality across businesses, with Stage 3 assets improving sequentially despite 1Q typically being a seasonally weaker quarter for collections.
- Management guided normalized credit costs of ~2.3%, driven by improving trends in asset quality. We estimate credit costs (as a % of avg. loans) of ~2.3%/ 2.2% in FY27/FY28E.

Key highlights from the management commentary

- Freight rates for the company's customer base have remained largely stable over the past couple of months, supporting repayment capacity across transport customers.
- Exposure to certain high-ticket, low-return products, such as tractor-trailers and high-end commercial vehicles, has been consciously reduced. Volumes in the Asset Finance business have picked up, but they are yet to translate into stronger value growth.

Valuation and view

- HDBFIN reported a steady quarter, with earnings slightly ahead of estimates. Asset quality continued to improve despite the seasonally weaker 1Q, resulting in broadly stable credit costs. NIM expanded during the quarter, supported by an improvement in portfolio yields. While loan growth remained slightly below expectations, management remains confident of a meaningful acceleration in the quarters ahead, driven by various strategic initiatives implemented over the past few quarters and the continued improvement in asset quality.
- HDBFIN currently trades at 2.6x FY27E P/BV. We estimate a CAGR of 16%/16%/ 25% in disbursement/AUM/PAT over FY26-28, with RoA/RoE of ~2.6%/15.2% in FY28E. **Reiterate Neutral with a TP of INR810 (premised on 2.4x Mar'28E BVPS).** With valuations largely factoring in medium-term growth potential, we will look for clearer evidence of stronger execution on loan growth, the ability to better navigate industry/product cycles, and structural (not just cyclical) improvement in return ratios.

Quarterly Performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	1QFY27E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	38,315	38,865	39,890	40,813	42,620	43,622	45,279	47,077	1,57,883	1,78,597	42,119	1
Interest Expenses	17,397	16,940	17,040	16,825	17,533	18,112	18,771	19,587	68,202	74,002	17,498	0
Net Interest Income	**20,918**	**21,925**	**22,850**	**23,988**	**25,087**	**25,510**	**26,508**	**27,490**	**89,681**	**1,04,595**	**24,621**	2
YoY Growth (%)	18.3	19.6	22.1	21.6	19.9	16.4	16.0	14.6	20.4	16.6	17.7	
Other Income	6,339	6,589	6,845	6,641	6,759	7,029	7,311	7,487	14,175	16,347	6,774	0
Total Income	**27,257**	**28,514**	**29,695**	**30,629**	**31,846**	**32,539**	**33,819**	**34,977**	**1,03,856**	**1,20,942**	**31,395**	1
YoY Growth (%)	14.2	18.4	18.8	17.1	16.8	14.1	13.9	14.2	19.5	16.5	15.2	
Operating Expenses	13,235	13,209	13,970	13,671	14,324	14,512	15,140	15,778	42,655	48,265	14,178	1
Operating Profit	**14,022**	**15,305**	**15,725**	**16,958**	**17,522**	**18,027**	**18,679**	**19,199**	**61,201**	**72,677**	**17,217**	2
YoY Growth (%)	17.2	24.4	23.2	26.7	25.0	17.8	18.8	13.2	23.2	18.8	22.8	
Provisions & Loan Losses	6,697	7,483	7,122	6,846	6,971	7,420	7,355	7,492	28,148	29,238	7,221	-3
Profit before Tax	**7,325**	**7,822**	**8,603**	**10,112**	**10,551**	**10,607**	**11,324**	**11,707**	**33,863**	**44,189**	**9,996**	6
Tax Provisions	1,648	2,008	2,164	2,606	2,699	2,652	2,831	2,954	8,425	11,136	2,499	8
Net Profit	**5,677**	**5,814**	**6,439**	**7,506**	**7,852**	**7,955**	**8,493**	**8,753**	**25,438**	**33,053**	**7,497**	5
YoY Growth (%)	-2.4	-1.6	36.3	41.4	38.3	36.8	31.9	16.6	16.9	29.9	32.1	
Key Parameters (Calc., %)												
Yield on loans	14.2	14.1	14.1	14.0	14.2	14.1	14.2	14.1				
Cost of funds	7.8	7.4	7.4	7.0	7.0	7.0	7.0	7.1				
Spread	6.4	6.6	6.7	7.0	7.2	7.1	7.1	7.1				
NIM	7.7	7.9	8.1	8.2	8.4	8.3	8.3	8.2				
C/I ratio	48.6	46.3	47.0	44.6	45.0	44.6	44.8	45.1				
Credit cost	2.5	2.7	2.5	2.3	2.3	2.4	2.3	2.2				
Tax rate	22.5	25.7	25.2	25.8	25.6	25.0	25.0	25.2				
Balance Sheet Parameters												
Disbursements (INR b)	**152**	**156**	**179**	**199**	**176**	**186**	**209**	**229**				
Growth (%)	-8.1	-0.5	10.1	12.9	16.2	19.0	16.5	15.1				
AUM (INR b)	**1,093**	**1,114**	**1,146**	**1,185**	**1,218**	**1,255**	**1,304**	**1,363**				
Growth (%)	14.3	13.0	12.2	10.9	11.4	12.6	13.8	15.0				
Borrowings (INR b)	**915**	**905**	**929**	**992**	**1,021**	**1,049**	**1,086**	**1,131**				
Growth (%)	16.4	9.5	11.0	13.5	11.7	15.9	16.9	14.0				
Asset Quality Parameters												
GS 3 (INR B)	27.9	31.3	32.2	29.0	28.5							
GS 3 (%)	2.6	2.8	2.8	2.4	2.3							
NS 3 (INR B)	12.1	14.2	14.3	12.9	12.6							
NS 3 (%)	1.1	1.3	1.3	1.1	1.1							
PCR (%)	56.7	54.7	55.6	55.5	55.7							

CONFERENCE CALL

Highlights from the management commentary

Guidance

- Business momentum is expected to improve progressively over the next 3-4 quarters as the benefits of product mix optimization, strengthened distribution, enhanced collections and AI-led operational initiatives begin to fully reflect in growth and profitability.
- Asset finance (Vehicle Finance) growth is expected to improve meaningfully over the next few quarters following completion of portfolio restructuring.
- The cost of borrowings is expected to remain broadly stable in 2Q.
- Long-term normalized credit cost is expected to remain at ~2.3%.
- Management continued to target RoA of >2.5%.

Macro environment

- The domestic economy remained resilient despite geopolitical tensions arising from the West Asia conflict.
- RBI maintained a neutral policy stance by keeping the repo rate unchanged, providing stability to the operating environment.
- Management continues to closely monitor supply chain disruptions arising from geopolitical events and potential El Niño-related risks, given their possible impact on rural cash flows, collections and asset quality.
- Freight rates for the company's customer base have remained largely stable over the past couple of months, supporting repayment capacity across transport customers.

Overall Business Performance

- 1QFY27 reflected disciplined execution across businesses, with customer additions, disbursement growth and profitability remaining healthy.
- Customer franchise expanded 19% YoY to 23.9m customers.
- Overall disbursements rose 16% YoY. PAT grew 38% YoY.
- Stage 3 assets improved to 2.34% (compared to 2.44% in Mar'26 and 2.56% in Jun'25) despite 1Q typically being a seasonally weaker quarter for collections. Increase in stage 2 of ~40bp QoQ was lower than in the previous year.
- Growth initiatives undertaken over the past several quarters are expected to gradually translate into stronger business momentum as execution matures.

Segmental highlights

Enterprise Lending
LAP / Mortgage

- LAP and enterprise business loan portfolio grew 13.2% YoY.
- Management expects the business to maintain its growth trajectory, supported by expansion initiatives across geographies and distribution.

Gold Loans

- Gold loan disbursements and loan book doubled YoY.
- Nearly 500 existing branches have now been enabled to offer gold loans alongside unsecured business loans.
- Management believes the current network itself has the capacity to approximately double the gold loan portfolio over time without requiring significant branch expansion.

Unsecured Business Loans

- Disbursements accelerated during the latter part of 1Q.
- Significant operational initiatives implemented over the past year have now been rolled out across the network.
- Management expects business momentum to improve from 2Q, with loan book growth in this segment expected to resume from 3QFY27.
- Asset quality has stabilized over the past 4-5 quarters, providing confidence to pursue growth.

Asset Finance

- CV book portfolio grew 10% YoY. Construction equipment portfolio rose 8% YoY.
- CV and other asset finance businesses continued to witness asset quality improvement.
- Over the past few quarters, management has undertaken a significant portfolio repositioning exercise aimed at improving risk-adjusted returns.
- Exposure to certain high-ticket, low-return products, such as tractor-trailers and high-end commercial vehicles, has been consciously reduced.
- Although average ticket sizes have moderated, underlying volumes have increased across targeted products.
- The transition has effectively been completed, and the business is now positioned to accelerate growth. The company expects visible improvement in asset finance growth over the next few quarters.
- Dealer relationships, manufacturer partnerships, and distribution capabilities are now aligned with the revised product strategy.
- May recorded the highest-ever volumes across several focus product categories, providing confidence regarding future growth.
- Stage 3 reduction has been achieved despite a largely flat loan book, implying stronger operating performance.
- As growth accelerates, the company expects Stage 3 ratios to decline further through both better collections and denominator expansion.
- Collection performance improved through multiple operational initiatives, including AI-enabled collection strategies and faster customer follow-ups.

Consumer Finance

- Consumer finance remained the strongest-performing segment during the quarter with 7.5% QoQ and 21% YoY.
- Consumer durable financing expanded more than 50% YoY, supported by strong seasonal demand, deep distribution penetration and close partnerships with manufacturers.

- Management expects consumer finance momentum to remain healthy, supported by sustained demand and continued market penetration.

Asset Quality and credit costs

- There was broad-based improvement in asset quality across businesses.
- 1Q, which is typically weaker from a collection perspective, nevertheless witnessed sequential improvement in Stage 3 assets.
- Movements across Stage 1 and Stage 2 portfolios were also relatively contained. Operational improvements implemented since January have begun yielding measurable benefits.
- AI-driven collection initiatives have improved customer follow-up speed and bounce management.
- Actual credit costs will remain dependent on macroeconomic conditions, particularly monsoon performance and broader economic activity.
- The company continues to closely monitor multiple scenarios and has contingency plans in place should macro conditions deteriorate.

CoF and NIM

- Cost of funds is expected to remain largely range-bound during 2Q.
- The liability profile provides sufficient flexibility to optimize funding costs (through short-tenor borrowings) if market conditions change.
- Gross yields have remained broadly stable despite competitive intensity.
- Quarterly fluctuations in yields primarily reflect product mix changes driven by seasonal growth in consumer finance rather than pricing pressure.

Technology and AI

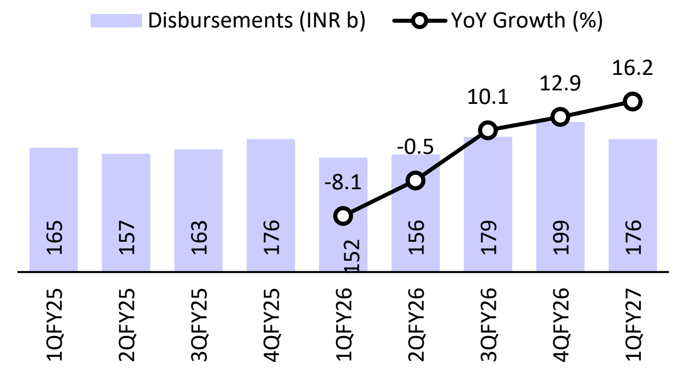
- The company announced its integrated AI transformation program under the umbrella initiative "Shikhar"
- Management aims to shift from transaction-based lending to life-cycle-based customer engagement, using AI to build deeper and longer-lasting customer relationships.

Others

- Initial traction under the ECLGS program remains limited. Unlike previous ECLGS programs, current eligibility is focused on working capital support rather than asset purchases. Borrowers need to demonstrate genuine working capital gaps arising from delayed receivables or export-related disruptions. The additional documentation and end-use verification requirements have slowed disbursement momentum under ECLGS.
- The company now operates through 160,000 retail outlets. Presence across more than 1,200 cities and Partnerships with over 150 manufacturers.
- Extensive physical presence enables granular monitoring of customer behavior, local demand trends and product performance at the pin-code level.
- The company will focus on expanding unsecured business loans rather than materially increasing MFI exposure.

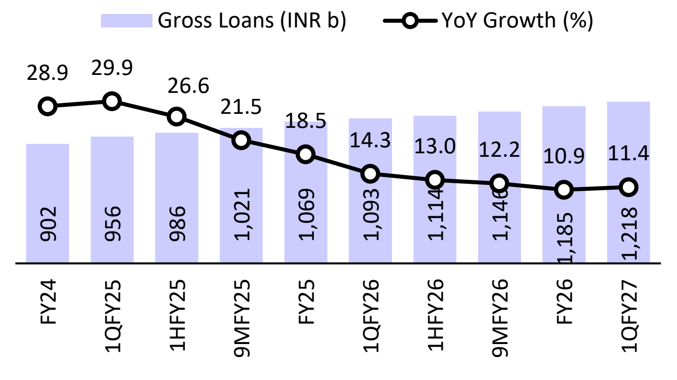
Key exhibits

Exhibit 1: Disbursements rose ~16% YoY



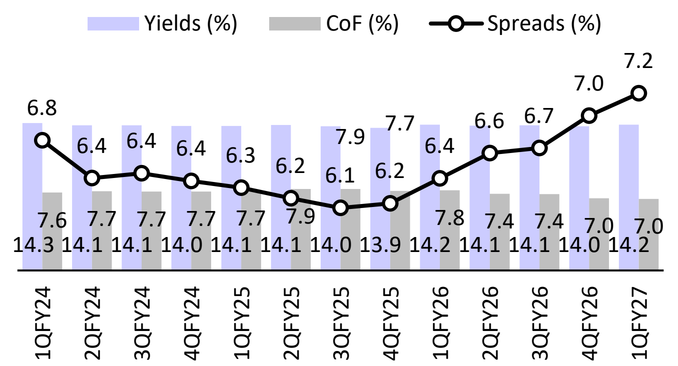
Source: MOFSL, Company

Exhibit 2: Gross loans grew 11% YoY



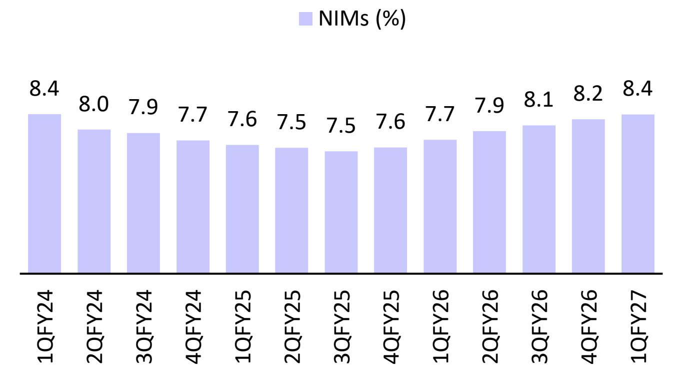
Source: MOFSL, Company

Exhibit 3: Spreads rose ~20bp QoQ



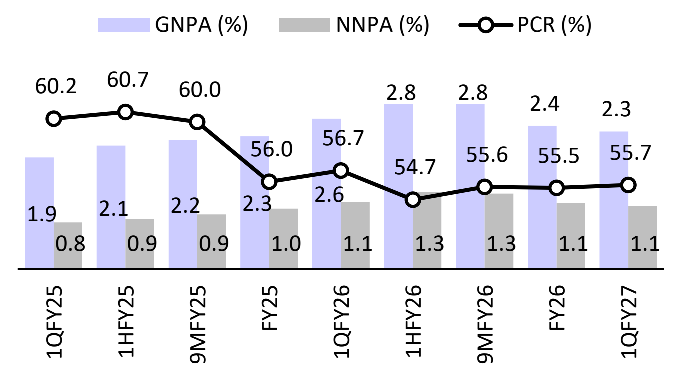
Source: MOFSL, Company

Exhibit 4: NIM expanded ~12bp QoQ to 8.35%



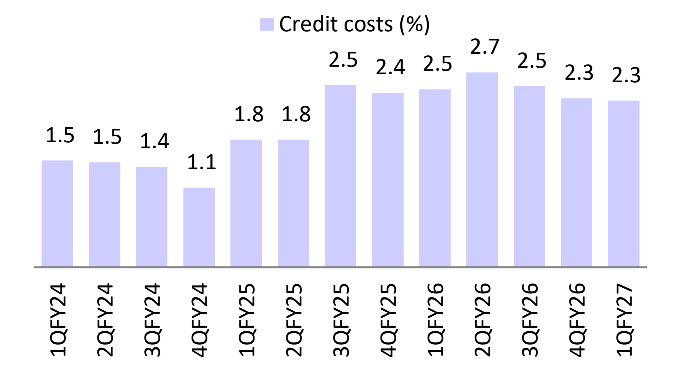
Source: MOFSL, Company

Exhibit 5: GS3 declined ~10bp QoQ to 2.35%



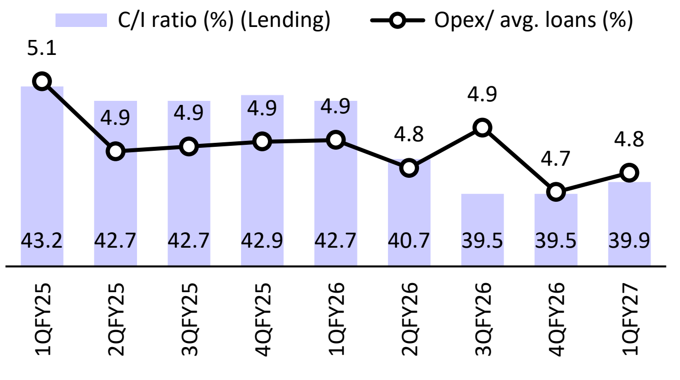
Source: MOFSL, Company,

Exhibit 6: Credit costs were stable QoQ at 2.3%



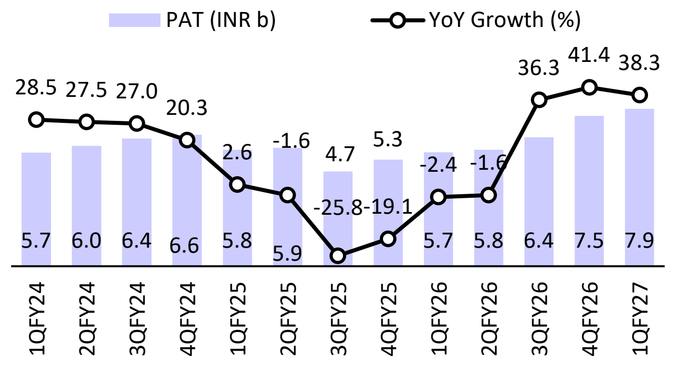
Source: MOFSL, Company

Exhibit 7: C/I ratio rose ~40bp QoQ to 39.9%



Source: MOFSL, Company,

Exhibit 8: PAT rose ~38% YoY to INR7.85b



Source: MOFSL, Company

Exhibit 9: We raise our FY27/FY28 EPS estimates by 4%/2% to factor in slightly better margins and lower credit costs

INR B	Old Est.		New Est.		change (%)	
	FY27	FY28	FY27	FY28	FY27	FY28
NII (incl. assignments)	103.4	117.6	104.6	119.5	1.2	1.6
Other Income	17.0	20.0	16.3	19.1	-3.6	-4.5
Total Income	**120.4**	**137.6**	**120.9**	**138.6**	**0.5**	**0.7**
Operating Expenses	48.3	54.1	48.3	54.1	-0.1	-0.1
Operating Profits	**72.1**	**83.5**	**72.7**	**84.5**	**0.9**	**1.3**
Provisions	30.5	32.7	29.2	32.5	-4.1	-0.9
PBT	**41.6**	**50.7**	**43.4**	**52.1**	**4.5**	**2.7**
Tax	10.5	12.8	11.1	13.3	5.7	3.8
PAT	**31.0**	**37.9**	**32.3**	**38.7**	**4.1**	**2.3**
AUM	1,371	1,599	1,364	1,589	-0.5	-0.6
Loans	1,317	1,534	1,315	1,531	-0.1	-0.2
Borrowings	1,070	1,247	1,131	1,318	5.7	5.7
NIM	8.4	8.3	8.5	8.4		
Credit Cost (%)	2.4	2.2	2.3	2.2		
RoA	2.4	2.6	2.5	2.6		
RoE	**14.2**	**14.9**	14.8	15.2		

Source: MOFSL, Company

Exhibit 10: HDBFIN – DuPont tree (%)

Y/E MARCH	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
Interest Income	14.1	13.8	13.4	13.5	13.7	13.8	13.6	13.5	13.6
Interest Expended	7.0	6.3	5.3	5.3	6.0	6.4	5.9	5.6	5.7
Net Interest Income	**7.1**	**7.5**	**8.1**	**8.2**	**7.7**	**7.4**	**7.7**	**7.9**	**7.8**
Other Operating Income	0.7	0.7	0.9	1.3	1.3	1.2	1.2	1.2	1.2
Net Income	**7.8**	**8.2**	**9.0**	**9.5**	**9.0**	**8.6**	**8.9**	**9.1**	**9.1**
Operating Expenses	3.0	2.6	3.1	3.7	3.9	3.7	3.7	3.6	3.5
Operating Income	**4.8**	**5.6**	**5.9**	**5.8**	**5.2**	**4.9**	**5.3**	**5.5**	**5.5**
Provisions/write offs	2.5	5.0	4.0	2.0	1.3	2.1	2.4	2.2	2.1
PBT (Lending)	**2.3**	**0.6**	**1.9**	**3.8**	**3.9**	**2.8**	**2.8**	**3.3**	**3.4**
PBT (BPO Segment)	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.0
PBT (Total)	**2.5**	**0.8**	**2.2**	**4.0**	**4.1**	**2.9**	**2.9**	**3.3**	**3.5**
Tax	0.8	0.2	0.5	1.0	1.0	0.7	0.7	0.8	0.9
Reported PAT	**1.7**	**0.6**	**1.6**	**3.0**	**3.0**	**2.2**	**2.2**	**2.5**	**2.6**
Avg. Leverage	7.7	7.5	6.9	6.3	6.5	6.8	6.4	5.9	5.9
RoE	**13.2**	**4.8**	**11.2**	**18.7**	**19.5**	**14.7**	**13.9**	**14.8**	**15.2**

Financials and valuations

Income Statement

INR m

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	84,879	83,630	89,278	1,11,567	1,38,358	1,57,883	1,78,597	2,07,426
Interest Expenses	38,829	33,255	35,119	48,643	63,902	68,202	74,002	87,919
Net Interest Income	**46,050**	**50,375**	**54,159**	**62,924**	**74,456**	**89,681**	**1,04,595**	**1,19,507**
Change (%)	10.9	9.4	7.5	16.2	18.3	20.4	16.6	14.3
Other Income	4,365	5,799	8,412	10,649	12,478	14,175	16,347	19,066
Total Income	**50,414**	**56,174**	**62,570**	**73,573**	**86,934**	**1,03,856**	**1,20,942**	**1,38,574**
Change (%)	10.5	11.4	11.4	17.6	18.2	19.5	16.5	14.6
Total Operating Expenses	**15,757**	**19,388**	**24,399**	**31,428**	**37,239**	**42,655**	**48,265**	**54,057**
Change (%)	-10.5	23.0	25.8	28.8	18.5	14.5	13.2	12.0
Employee Expenses	10,389	12,717	15,643	20,588	24,742	27,707	31,447	35,221
Depreciation	1,078	989	1,118	1,451	1,944	2,093	2,292	2,567
Other Operating Expenses	4,290	5,682	7,638	9,389	10,553	12,855	14,526	16,269
Operating Profit	**34,658**	**36,786**	**38,171**	**42,144**	**49,695**	**61,201**	**72,677**	**84,516**
Change (%)	23.7	6.1	3.8	10.4	17.9	23.2	18.8	16.3
Total Provisions	**30,688**	**24,657**	**13,304**	**10,674**	**21,130**	**28,148**	**29,238**	**32,461**
% Loan loss provisions to Avg loans ratio	5.3	4.3	2.2	1.4	2.2	2.6	2.4	2.3
PBT (Lending)	**3,970**	**12,129**	**24,867**	**31,471**	**28,565**	**33,053**	**43,439**	**52,055**
PBT (BPO)	1,037	1,347	1,407	1,576	713	810	750	750
PBT (Total)	**5,007**	**13,476**	**26,274**	**33,047**	**29,278**	**33,863**	**44,189**	**52,805**
Tax Provisions	1,092	3,362	6,681	8,438	7,519	8,425	11,136	13,307
Tax Rate (%)	21.8	24.9	25.4	25.5	25.7	24.9	25.2	25.2
PAT	**3,915**	**10,114**	**19,594**	**24,608**	**21,759**	**25,438**	**33,053**	**39,498**
Change (%)	-61.0	158.4	93.7	25.6	-11.6	16.9	29.9	19.5

Balance Sheet

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	7,892	7,904	7,914	7,931	7,958	8,303	8,303	8,303
Reserves & Surplus	76,571	87,493	1,06,456	1,29,496	1,50,239	1,98,337	2,31,390	2,70,889
Net Worth	**84,462**	**95,397**	**1,14,370**	**1,37,427**	**1,58,197**	**2,06,640**	**2,39,693**	**2,79,192**
Borrowings	**5,03,588**	**4,89,731**	**5,48,653**	**7,43,307**	**8,73,977**	**9,92,301**	**11,31,143**	**13,17,842**
Change (%)	1.1	-2.8	12.0	35.5	17.6	13.5	14.0	16.5
Total Liabilities	**6,26,411**	**6,20,259**	**7,00,504**	**9,25,565**	**10,86,633**	**12,36,515**	**14,13,954**	**16,46,522**
Investments	15,929	22,335	12,433	33,803	20,601	37,476	41,224	45,346
Loans	5,86,014	5,71,625	6,63,827	8,67,213	10,33,430	11,46,895	13,15,367	15,30,845
Change (%)	2.5	-2.5	16.1	30.6	19.2	11.0	14.7	16.4
Fixed Assets	995	902	1,428	1,847	2,754	2,954	3,545	4,254
Total Assets	**6,26,411**	**6,20,259**	**7,00,504**	**9,25,565**	**10,86,633**	**12,36,515**	**14,13,954**	**16,46,522**

E: MOFSL Estimates

Financials and valuations

AUM Mix (%)								INR m
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
AUM	**6,15,610**	**6,14,440**	**7,00,840**	**9,02,350**	**10,72,620**	**11,87,330**	**13,64,187**	**15,89,351**
Change (%)	4.6	-0.2	14.1	28.8	18.9	10.7	14.9	16.5
Disbursements	**2,49,900**	**2,90,330**	**4,48,018**	**6,08,993**	**6,61,080**	**6,86,090**	**7,99,981**	**9,19,978**
Change (%)	-16.3	16.2	54.3	35.9	8.6	3.8	16.6	15.0

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Spreads Analysis (%)								
Avg. Yield on Loans	14.3	13.6	13.6	13.9	14.0	14.01	14.0	14.1
Avg Cost of Funds	7.8	6.7	6.8	7.5	7.9	7.3	7.0	7.2
Spread of loans	6.6	6.9	6.8	6.4	6.1	6.7	7.1	6.9
NIM (on loans)	8.0	8.7	8.8	8.2	7.83	8.23	8.50	8.4
Profitability Ratios (%)								
RoA	0.6	1.6	3.0	3.0	2.2	2.2	2.5	2.6
RoE	4.8	11.2	18.7	19.5	14.7	13.9	14.8	15.2
Cost/Income	31.3	34.5	39.0	42.7	42.8	41.1	39.9	39.0
Opex to avg. assets	2.6	3.1	3.7	3.9	hdb fi	3.7	3.6	3.5

Asset quality

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
GNPA (INR m)	27,609	30,588	19,149	17,118	24,137	28,955	35,832	42,049
GNPA (%)	4.5	5.0	2.7	1.9	2.3	2.4	2.6	2.6
NNPA (INR m)	18,862	14,030	6,683	5,680	10,632	12,876	15,050	16,819
NNPA (%)	3.2	2.5	1.0	0.7	1.0	1.1	1.1	1.1
PCR (%)	31.68	54.13	65.10	66.82	55.95	55.53	58	60
Credit costs (%)	5.2	4.0	2.0	1.3	2.1	2.5	2.3	2.2

Valuation	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
No.of Shares (m)	**789**	**790**	**791**	**793**	**796**	**830**	**830**	**830**
EPS	5	13	25	31	27	31	40	48
EPS Growth (%)	(61)	158	93	25	(12)	12	30	19
P/E (x)	**151.6**	**58.8**	**30.4**	**24.2**	**27.5**	**24.5**	**18.9**	**15.8**
BV (INR)	107	121	145	173	199	249	289	336
BV Growth (%)	5	13	20	20	15	25	16	16
Price-BV (x)	**7.0**	**6.2**	**5.2**	**4.3**	**3.8**	**3.0**	**2.6**	**2.2**
DPS (INR)	0.0	1.0	2.0	3.0	3.0	4.0	5.0	6.0
Dividend yield (%)	**-**	**0.1**	**0.3**	**0.4**	**0.4**	**0.5**	**0.7**	**0.8**

E: MOFSL Estimates

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Investment Rating	**Expected return (over 12-month)**
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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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