26 October 2026
2QFY27 Results Update | Sector: Financials

AAVAS Financiers

Estimate change	⟷
TP change	↓
Rating change	⟷

Bloomberg	AAVAS IN
Equity Shares (m)	79
M.Cap.(INRb)/(USDb)	89.3 / 0.9
52-Week Range (INR)	1775 / 1050
1, 6, 12 Rel. Per (%)	-9/-15/-21
12M Avg Val (INR M)	288

Financials & Valuations (INR b)

INR b	FY26	FY27E	FY28E
NII	11.8	13.3	15.9
PPP	8.7	10.2	12.1
PAT	6.5	7.6	9.1
EPS (INR)	83	96	115
EPS Gr. (%)	14	16	20
BV/Sh. (INR)	637	733	848
Ratios (%)			
NIM	5.4	5.2	5.3
C/I ratio	45.0	43.1	42.4
Credit cost	0.19	0.24	0.18
RoA	3.3	3.3	3.4
RoE	13.9	14.0	14.5
Valuation			
P/E (x)	13.7	11.8	9.8
P/BV (x)	1.8	1.5	1.3

Shareholding Pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	48.9	48.9	49.0
DII	22.4	22.2	14.1
FII	15.2	16.3	25.9
Others	13.5	12.7	11.0

FII includes depository receipts

CMP: INR1,126 TP: INR1,220 (+8%) Neutral

Growth ambitions intact; execution key to delivery

NIM expanded ~10bp QoQ; run-offs moderate

- AAVAS Financiers' (AAVAS) 2QFY27 PAT grew 11% YoY to ~INR1.8b (in line). NII in 2QFY27 grew 13% YoY to ~INR3.2b (in line). Other income grew 3% YoY to INR1.1b (PQ: INR926m and PY: INR1b).
- Opex rose ~6% YoY to INR1.8b (~5% lower than est.). CI ratio declined ~180bp YoY to ~42.3% (PY and PQ: ~44%). PPoP grew 14% YoY to INR2.5b. Credit costs stood at INR134m (vs. MOFSLe of INR115m) and translated into annualized credit costs of ~22bp (PY: ~15bp and PQ: ~20bp).
- AAVAS is targeting FY27 AUM growth of ~16-17%, with its strategy centered on improving employee productivity, deepening penetration in existing markets, calibrated branch expansion, and gradual increase in ticket sizes. Importantly, growth will remain anchored in its core AHF segment, with disciplined underwriting and risk-adjusted returns taking precedence over aggressive expansion. We expect AAVAS to deliver an AUM CAGR of ~18% over FY26-28.
- AAVAS expects asset quality to remain stable, supported by improving lead indicators, conservative underwriting, and close portfolio monitoring. The company does not anticipate any material deterioration despite rainfall-deficit concerns in Maharashtra, given its limited exposure to the affected Marathwada region and cautious approach toward borrowers dependent solely on agricultural income.
- The company has outlined an ambitious growth roadmap, with improving productivity, operating leverage, and margin expansion expected to drive sustainable growth while maintaining asset quality. However, the key monitorable remains the translation of these aspirations into measurable improvements in growth, profitability, and operating efficiency, which will be critical to validating the company's long-term prospects. We estimate AUM/PAT CAGR of 18% each over FY26-28, with RoA/RoE of 3.4%/14.5% by FY28E. **Reiterate Neutral with a TP of INR1,220 (based on 1.5x Sep' 28E BVPS).**

Productivity-led growth to drive AUM expansion

- AUM grew 16% YoY and ~4% QoQ to ~INR248b. Disbursements rose ~21% YoY to ~INR18.9b. Annualized run-off in the loan-book declined to ~17% (PQ: ~19.4% and PY: 18.2%).
- Over the long term, AAVAS targets AUM growth of over ~20%. Growth is expected to be driven by an estimated ~8% contribution from branch expansion, ~10% from productivity improvement, and an additional 5-7% from higher ATS. The company aims to increase RO productivity from ~1.2 loans per month in 2QFY27 to ~1.5 by FY27-end, with a longer-term target of ~2.5 loans per month. Technology-led sourcing and selective expansion will support execution, with disbursement growth of over 20% targeted in FY27, aided by a seasonally stronger 2HFY27.

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Margins to expand gradually, with targeted spreads above 5%

- Reported NIM in 2QFY27 expanded ~10bp QoQ to ~7.8%. (PQ: 7.7%). Reported yields declined ~5bp QoQ to 12.66%, while CoF remained stable QoQ at 7.64%. Reported spreads declined ~5bp QoQ to ~5%.
- AAVAS aims to maintain spreads above 5%, with margins expected to expand gradually as higher lending rates on incremental disbursements support origination yields and overall portfolio yields. Despite the potential increase in borrowing costs following the RBI's 25bp repo rate hike, diversified funding sources and the ability to reprice incremental lending are expected to cushion the impact on spreads and margin. We expect AAVAS to deliver an NIM of ~5.2-5.3% for FY27-FY28.

Asset quality remains stable, supported by prudent underwriting

- Asset quality remained stable QoQ, with GNPA/NNPA at 1.11%/0.71%. 1+dpd stood at 3.8% (PQ: 3.8% and PY: 4%).
- The company remains focused on balancing growth with prudent credit selection, with asset quality and governance taking precedence over aggressive expansion. Incremental lending, particularly in MSME, will be calibrated to prevailing risk conditions, ensuring that growth remains aligned with risk-adjusted returns. We model credit costs of 24bp/18bp for FY27/FY28.

Highlights from the management commentary

- While changes in insurance commission regulations (expected to be effective from Apr'27) will impact distribution economics, management expects to recoup a significant portion of the impact on its fee income.
- Around ~30% of borrowings are linked to repo rate, while the remainder is linked to other benchmarks, including MCLR, or comprises fixed-rate instruments. This diversified liability mix will help balance the impact of interest rate movements.

Valuation and view

- AAVAS delivered a steady quarter, with healthy disbursement growth and stable asset quality. Going forward, the focus will remain on improving productivity and operating efficiency, with execution against growth targets and a sustained recovery in margins remaining key monitorables.
- We estimate AUM/PAT CAGR of 18% each over FY26-28, with RoA/RoE of 3.4%/14.5% by FY28. Reiterate Neutral with a TP of INR1,220 (based on 1.5x Sep' 28E BVPS).

Quarterly performance

INR m

Y/E March	FY26				FY27E				FY26	FY27E	2QFY27E	v/s Est.
	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	3QFY27	4QFY27				
Interest Income	5,489	5,636	5,738	5,934	6,165	6,299	6,595	7,032	22,798	26,091	6,319	0
Interest Expenses	2,713	2,755	2,745	2,735	2,926	3,053	3,267	3,502	10,948	12,749	3,026	1
Net Income	**2,776**	**2,881**	**2,993**	**3,199**	**3,238**	**3,246**	**3,328**	**3,530**	**11,849**	**13,342**	**3,293**	**-1**
YoY Growth (%)	14	19	18	18	17	13	11	10	17	13	14	
Other income	790	1,038	1,008	1,214	926	1,069	1,171	1,467	4,051	4,632	1,064	0
Total Income	**3,566**	**3,919**	**4,001**	**4,414**	**4,165**	**4,314**	**4,499**	**4,996**	**15,900**	**17,974**	**4,357**	**-1**
YoY Growth (%)	16	18	18	18	17	10	12	13	18	13	11	
Operating Expenses	1,662	1,727	1,730	2,040	1,836	1,824	1,911	2,182	7,158	7,753	1,929	-5
YoY Growth (%)	21	26	19	19	10	6	10	7	21	8	12	
Operating Profits	**1,904**	**2,192**	**2,272**	**2,374**	**2,329**	**2,490**	**2,588**	**2,815**	**8,742**	**10,222**	**2,429**	**3**
YoY Growth (%)	12	12	17	18	22	14	14	19	15.1	16.9	10.8	
Provisions	113	80	78	67	128	134	134	81	337	477	115	17
Profit before Tax	**1,791**	**2,112**	**2,193**	**2,308**	**2,201**	**2,356**	**2,453**	**2,734**	**8,404**	**9,744**	**2,313**	**2**
Tax Provisions	399	473	493	491	488	541	542	563	1,856	2,134	511	6
Profit after tax	**1,392**	**1,639**	**1,700**	**1,817**	**1,713**	**1,815**	**1,911**	**2,171**	**6,549**	**7,610**	**1,802**	**1**
YoY Growth (%)	10	11	16	18	23	11	12	20	14.1	16.2	9.9	
Key Parameters (%)												
Yield on loans	13.13	13.1	13.02	12.82	12.70	12.7			13.5	13.2		
Cost of funds	8.02	7.9	7.68	7.62	7.64	7.6			7.4	7.5		
Spread	5.11	5.23	5.34	5.20	5.06	5.02			6.1	5.8		
NIM	7.48	8.04	8.01	8.45	7.70	7.81			5.4	5.2		
Credit cost	0.2	0.15	0.1	0.1	0.2	0.22	0.2	0.1	0.2	0.2		
Cost to Income (%)	46.6	44.1	43.2	46.2	44.1	42.3	42.5	43.7	45.0	43.1		
Tax Rate (%)	22.3	22.4	22.5	21.3	22.2	23.0	22.1	20.6	22.1	21.9		
Balance Sheet Parameters												
AUM (INR B)	**207.4**	**213.6**	**222.0**	**234.5**	**239.3**	**248.0**	**258.5**	**274.1**	**234.5**	**274.1**		
Change YoY (%)	16.2	16.1	15.4	14.8	15.4	16.1	16.4	16.9	15	17		
AUM mix (%)												
Home loans	67.0	67.0	66.0	65.0	64.0	63.0			65.0	62.1		
Mortgage loans	13.0	13.0	13.0	13.0	13.0	14.0			35.0	37.9		
Loans (INR B)	**162.3**	**166.6**	**173.0**	**183.7**	**187.3**	**193.2**	**202.7**	**215.2**	**183.7**	**215.2**		
% of AUM	78.2	78.0	77.9	78.3	78.3	77.9	78.4	78.5	13.2	17.1		
Disbursements (INR B)	**11.5**	**15.6**	**17.2**	**23.5**	**16.1**	**18.9**	**21.2**	**27.1**	**67.8**	**83.4**		
Change YoY (%)	-5.4	20.6	8.0	16.0	40.9	21.2	23.0	15.5	11	23		
Borrowings (INR B)	**143.9**	**144.1**	**150.0**	**156.9**	**160.7**	**164.9**	**176.3**	**183.6**	**156.9**	**183.6**		
Change YoY (%)	14.2	15.5	12.1	12.7	11.7	14.4	17.5	17.0	13	17		
Borrowings/Loans (%)	88.7	86.5	86.7	85.4	85.8	85.3	87.0	85.3	85.4	85.3		
Debt/Equity (x)	3.2	3.1	3.1	3.1	3.1	3.1	3.2	3.2	3.1	3.2		
Asset Quality (%)												
GS 3 (INR M)	**1,987.0**	**2,081.0**	**2,066.0**	**1,938.0**	**2,101.0**	**2,170.0**			**1,425**	**1,319**		
G3 %	1.22	1.2	1.19	1.05	1.11	1.1			1.09	0.94		
NS 3 (INR M)	1,360.0	1,418.0	1,366.0	1,241.0	1,328.0	1,343.0			1,033	939		
NS3 %	0.84	0.85	0.79	0.68	0.71	0.70			0.79	0.67		
PCR (%)	**31.6**	**31.9**	**33.9**	**36.0**	**36.8**	**38.1**			**27.5**	**28.8**		
ECL (%)	0.7	0.7	0.7	0.7	0.7	0.8			0.65	0.60		
Return Ratios - YTD (%)												
ROA (Rep)	2.9	3.4	3.4	3.5	3.2	3.3			3.3	3.3		
ROE (Rep)	12.6	14.3	14.3	14.7	13.3	13.6			13.9	14.0		

E: MOFSL Estimates



Highlights from the management commentary

Guidance

- AAVAS is on track to cross the milestone of INR250b in AUM during Oct'26, having served ~450k customers. The company is targeting long-term AUM of INR500b, supported by structural demand for affordable housing, deeper penetration across existing markets, and improving productivity.
- The company expects to sustain long-term AUM growth of over ~20%, while FY27 AUM growth is guided at ~16-17%. It remains committed to growing disbursements by over ~20%, with 3QFY27 and 4QFY27 expected to benefit from the festive season and the traditionally stronger year-end period.
- AAVAS aims to increase RO productivity to ~1.5 loans per month by the end of FY27 from ~1.2 in 2QFY27, before progressively scaling it to ~2.5 loans per month.
- The company intends to reduce its opex to AUM ratio to below ~3% over the medium term and its CI ratio to below ~40%, driven by higher employee productivity, improved branch profitability, operating leverage, and better revenue per resource deployed.
- AAVAS remains committed to maintaining spreads above ~5%, despite the potential increase in borrowing costs following the RBI's 25bp repo rate hike. Management expects higher lending rates on incremental disbursements to support yields and progressively improve spreads and NIMs.
- The company will continue to expand its branch network and deepen its presence in existing markets while maintaining disciplined underwriting, prudent liability management, and stable asset quality.

Business updates and growth strategy

- AAVAS' AUM grew ~16% YoY to INR248b as of Sep'26, reflecting improvements in customer acquisition, employee productivity, and execution. The company believes it is well positioned to accelerate growth as productivity and operating efficiency improve.
- Productivity enhancement, deeper market penetration, and calibrated branch expansion will remain the primary medium-term growth drivers. Management indicated that the growth strategy is expected to deliver ~20% volume CAGR, supported by an estimated ~8% contribution from branch expansion, 10% from productivity improvement, and an additional ~5-7% from higher ATS.
- The company will continue to invest in its distribution network, focusing on markets with greater penetration opportunities and pricing flexibility. It does not anticipate significant demand-side pressure and remains confident in the long-term potential of the affordable housing segment.
- Top-up loans currently account for ~5% of total disbursements. At a steady state, the company intends to maintain a HL to NHL mix of 65:35.
- AAVAS remains focused on its core customer segment, which differs from the target audience of larger NBFCs and HFCs in terms of ticket size. Management does not expect significant competitive pressure from these players within its primary customer segment.

- The company is not aggressively pursuing customers at the lower end of the ticket-size spectrum, preferring to balance growth with appropriate risk-adjusted returns.

Productivity, operating efficiency, and governance

- AAVAS is pursuing a structured approach to sustainable, profitable growth through technology, employee productivity, operational efficiency, and stronger governance. The company has strengthened system-driven controls, reinforced maker-checker mechanisms across key processes, and implemented rigorous training program to embed consistent governance standards as the business scales.
- The company is strengthening lead generation through three initiatives: aligning manpower with market-level growth opportunities, developing alternative and digital sourcing channels, and using technology and data to guide daily market coverage by the direct sales team. These initiatives are already generating a meaningful improvement in the lead pipeline. AAVAS is also focusing on supervisory productivity, recognizing that supervisors can both improve RO performance and independently develop new lead channels.
- The incentive structure has been revamped to encourage more ROs to move into higher productivity brackets, with attractive incremental rewards for stronger performance. Incentives are linked to both the number of loans sourced and ticket size.
- Several experienced professionals have joined the organization, with further additions expected in the coming months. The strengthened team is expected to support both strategic priorities and execution as business momentum builds through the second half of the fiscal year.

Margins, yields, and cost of borrowings

- AAVAS has maintained a stable cost of borrowings despite interest rate volatility and geopolitical uncertainties, supported by diversified funding sources and strong lender relationships. Broad-based lender support continues to provide access to long-term, cost-effective funding.
- Around ~30% of borrowings are linked to the repo rate, while the remainder is linked to other benchmarks, including MCLR, or comprises fixed-rate instruments. This diversified benchmark mix helps balance the impact of interest rate movements.
- AAVAS expects lending rate increases on incremental disbursements to support origination yields and progressively improve the overall AUM yield. Consequently, spreads and NIM are expected to improve over the coming quarters.
- The company has not revised its PLR so far and is evaluating the need for any changes based on evolving funding costs and market conditions. Management reiterated that any pricing decisions will remain customer-centric, while protecting spreads above 5%.
- The company believes that its ability to manage borrowing costs and appropriately reprice incremental lending will remain the two key levers for protecting margins.

Asset quality and credit underwriting

- AAVAS does not anticipate any material deterioration in mortgage asset quality, with management indicating that its lead indicators have improved progressively over recent months.
- Despite drought concerns in Maharashtra, management does not expect a material impact on the portfolio. Exposure to the affected Marathwada districts, including Latur, is minimal, while the company's Maharashtra operations are largely concentrated around Pune.
- AAVAS has remained cautious about lending to customers whose repayment capacity depends solely on agricultural income. This conservative approach, combined with close monitoring of portfolio indicators, is expected to protect asset quality through the current rainfall-deficit cycle.
- Management reiterated that growth will remain measured and supported by prudent credit assessment, with governance and asset quality taking precedence over aggressive expansion.

Branch expansion and distribution strategy

- AAVAS will continue investing in branch expansion to deepen its presence in existing markets and diversify its distribution network. The focus remains on entering locations with attractive growth opportunities, while ensuring faster branch-level break-even.
- Newly opened branches are being closely monitored for productivity and profitability, with expansion decisions aligned to local demand, market potential, and the company's ability to build a productive sourcing team.

Insurance cross-selling and fee income

- AAVAS considers insurance a suitable complementary product for affordable housing customers and intends to improve insurance attachment through customer education rather than forced selling. The company remains focused on ensuring that customers understand the relevance of insurance at the time of loan origination.
- Regulatory changes effective Apr’27 are expected to reduce the economics of insurance distribution. However, management remains confident of recovering a significant proportion of the loss.
- The company believes insurance remains particularly relevant for the affordable housing segment and will continue to focus on responsible solicitation and appropriate product suitability.

Disbursements, ticket size, and business mix

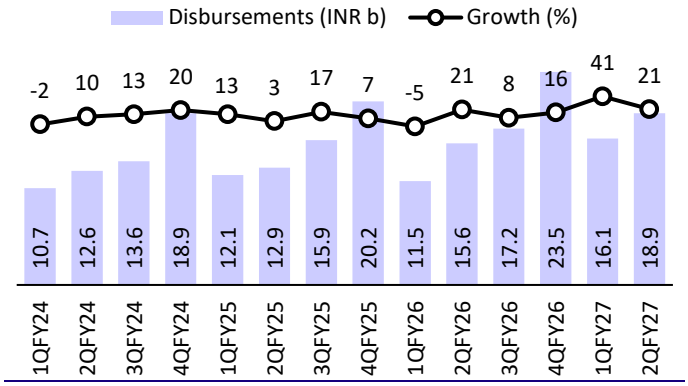
- AAVAS does not see any meaningful pressure on customer demand and expects business momentum to strengthen through the festive season in 3QFY27 and the traditionally stronger 4QFY27.
- MSME lending growth is being calibrated to ensure that incremental originations remain aligned with prevailing risk conditions and appropriate pricing. Management continues to prioritize the quality and risk-adjusted returns of new business over volume growth alone.

Competitive positioning and customer focus

- AAVAS believes its focus on underserved affordable housing customers provides a distinct competitive advantage, given the differences in average ticket sizes and target customer profiles compared with larger NBFCs and HFCs.
- The company remains committed to a customer-first operating model, balancing competitive pricing with sustainable profitability and prudent credit underwriting.
- Management reiterated that pricing decisions will be guided by customer interests and the need to maintain spreads above 5%, with both borrowing-cost optimization and lending-rate adjustments being actively pursued.
- AAVAS does not intend to accelerate growth by weakening credit filters or aggressively entering lower-ticket customer segments. Instead, it will rely on improved productivity, deeper market penetration, stronger distribution, and disciplined execution to achieve its medium-term ambitions.

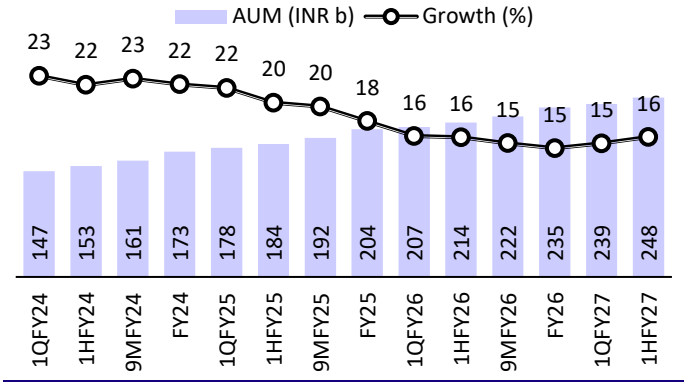
Key exhibits

Exhibit 1: Disbursements rose ~21% YoY



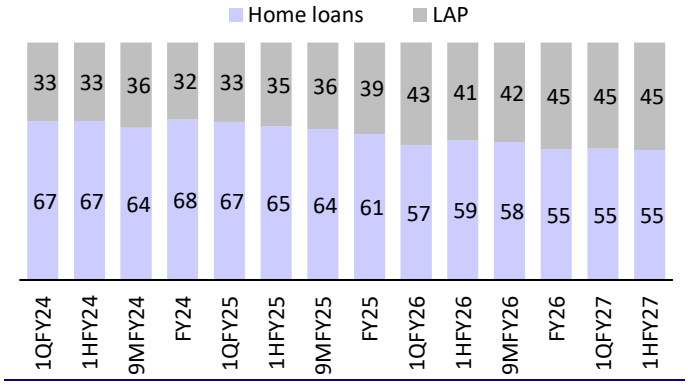
Source: MOFSL, Company

Exhibit 2: AUM grew ~16% YoY



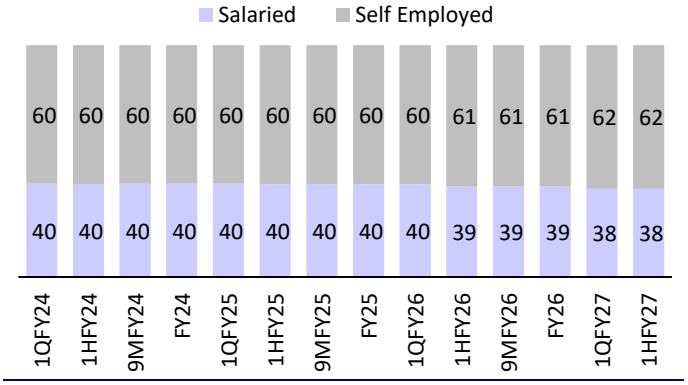
Source: MOFSL, Company

Exhibit 3: Share of LAP disbursements was stable QoQ(%)



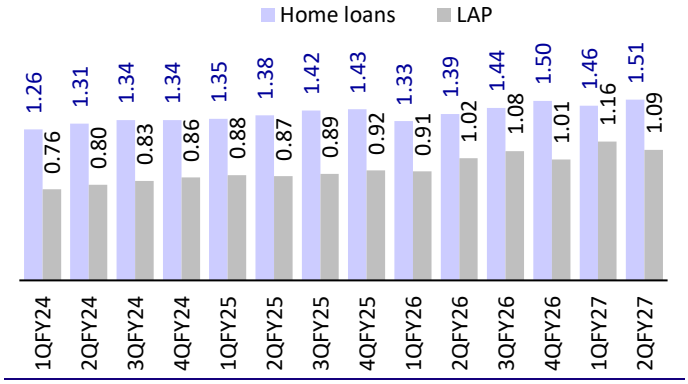
Source: MOFSL, Company

Exhibit 4: Share of salaried mix remained stable QoQ



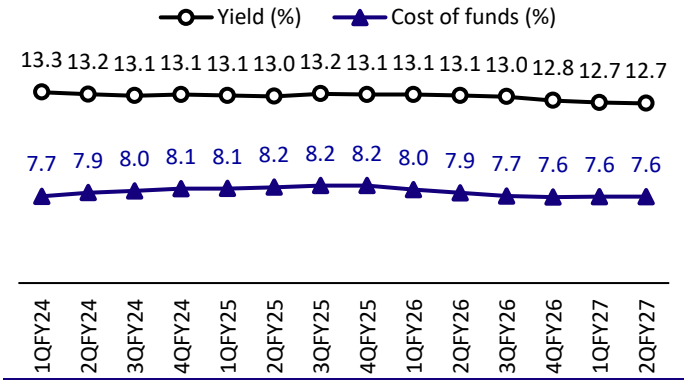
Source: MOFSL, Company

Exhibit 5: ATS (disb) in HL rose QoQ (INR m)



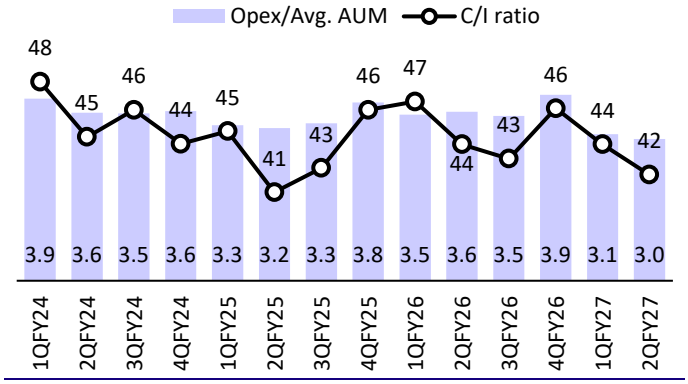
Source: MOFSL, Company

Exhibit 6: Reported spreads declined ~5bp QoQ



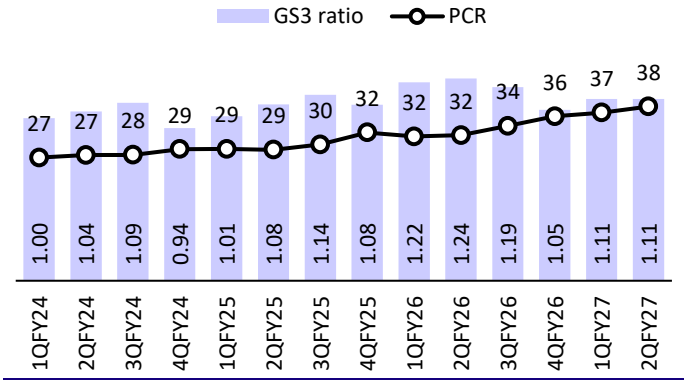
Source: MOFSL, Company

Exhibit 7: Opex/avg. AUM declined QoQ to ~3% (%)



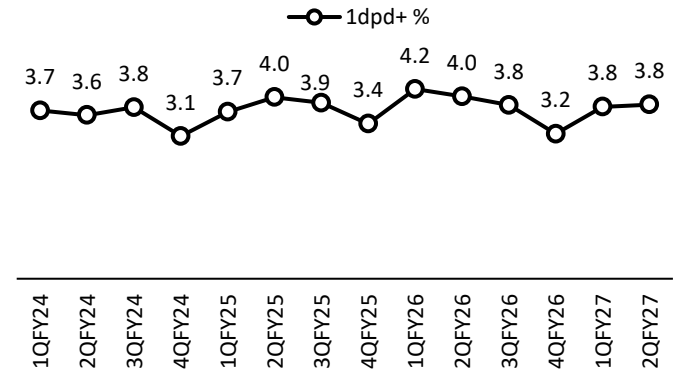
Source: MOFSL, Company

Exhibit 8: GS3 remained stable QoQ (%)



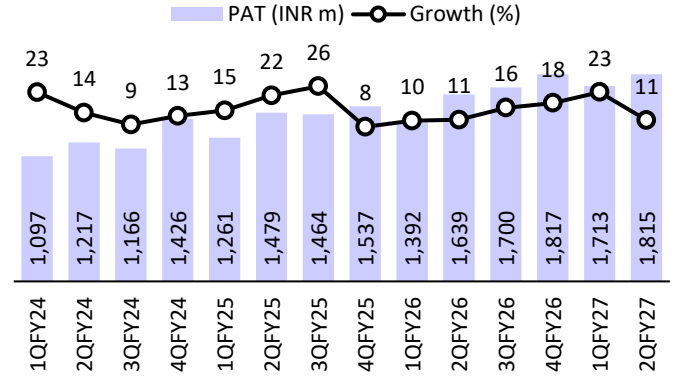
Source: MOFSL, Company, PCR in %

Exhibit 9: 1+dpd improved ~20bp QoQ (PQ: 3.8%)



Source: MOFSL, Company

Exhibit 10: 1QFY27 PAT grew 11% YoY

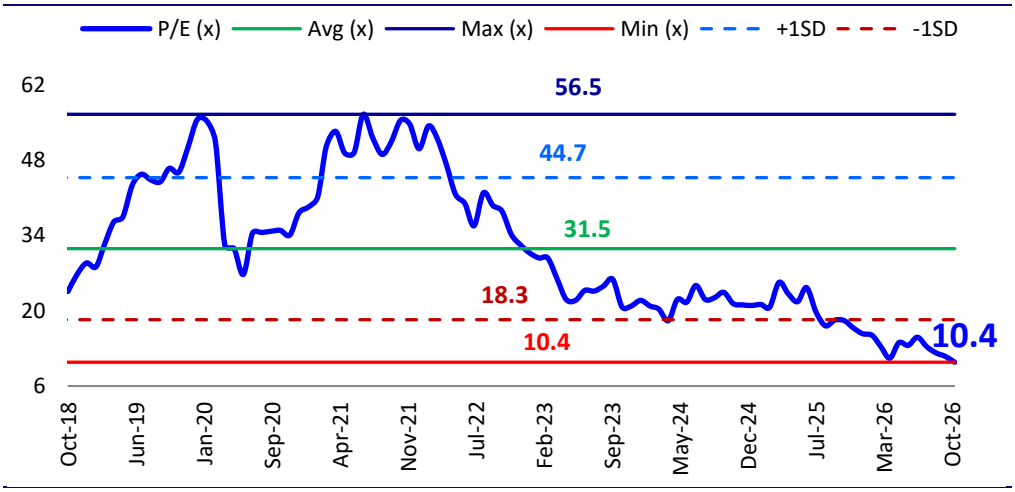


Source: MOFSL, Company

Exhibit 11: We keep our FY27E/ FY28E EPS estimates broadly unchanged

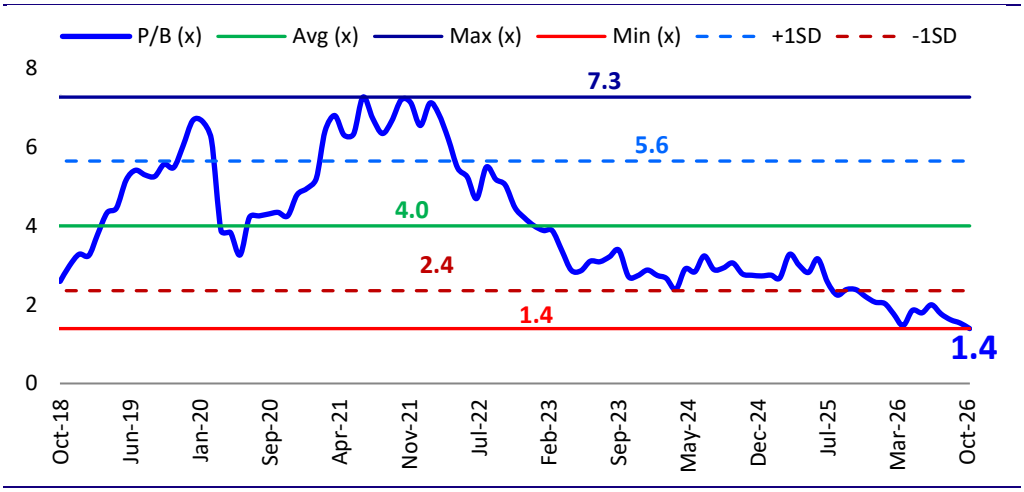
INR b	Old Est.		New Est.		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
NII	13.6	16.0	13.3	15.9	-1.9	-0.8
Other Income	4.6	5.0	4.6	5.0	0.0	0.0
Total Income	**18.2**	**21.1**	**18.0**	**20.9**	**-1.4**	**-0.6**
Operating Expenses	8.0	9.1	7.8	8.9	-3.3	-2.0
Operating Profits	**10.2**	**12.0**	**10.2**	**12.1**	**0.1**	**0.4**
Provisions	0.4	0.4	0.5	0.4	16.0	-0.6
PBT	**9.8**	**11.6**	**9.7**	**11.6**	**-0.6**	**0.4**
Tax	2.1	2.5	2.1	2.6	-0.6	0.4
PAT	**7.7**	**9.1**	**7.6**	**9.1**	**-0.6**	**0.4**
AUM	274	326	274	326	0.0	0.0
Borrowings	184	220	184	220	0.0	0.0
NIM (%)	5.3	5.3	5.2	5.3		
ROA (%)	3.3	3.3	3.3	3.4		
RoE (%)	14.1	14.4	14.0	14.5		

Exhibit 12: One-year forward P/E



Source: MOFSL, Company

Exhibit 13: One-year forward P/B



Source: MOFSL, Company

Financials and valuations

Income statement

INR m

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	9,764	11,288	13,882	17,347	20,177	22,798	26,091	31,635	38,308
Interest Expended	4,582	4,775	5,910	8,284	10,075	10,948	12,749	15,723	19,349
Net Interest Income	**5,182**	**6,513**	**7,971**	**9,063**	**10,102**	**11,849**	**13,342**	**15,912**	**18,958**
Change (%)	20.4	25.7	22.4	13.7	11.5	17.3	12.6	19.3	19.1
Gain on Securitisation	864	1,240	1,518	1,795	2,074	2,673	2,967	3,353	3,789
Other Operating Income	426	539	701	1,061	1,333	1,377	1,665	1,672	1,670
Total Income	**6,471**	**8,293**	**10,191**	**11,919**	**13,509**	**15,900**	**17,974**	**20,937**	**24,417**
Change (%)	18.3	28.2	22.9	17.0	13.3	17.7	13.0	16.5	16.6
Operating Expenses	2,566	3,506	4,577	5,430	5,912	7,158	7,753	8,876	10,108
Operating Income	**3,905**	**4,787**	**5,614**	**6,489**	**7,597**	**8,742**	**10,222**	**12,061**	**14,310**
Change (%)	23.0	22.6	17.3	15.6	17.1	15.1	16.9	18.0	18.7
Provisions	371	226	124	245	271	337	477	416	555
PBT	**3,533**	**4,561**	**5,490**	**6,244**	**7,326**	**8,404**	**9,744**	**11,645**	**13,755**
Tax	638	981	1,189	1,338	1,585	1,856	2,134	2,550	3,012
Tax Rate (%)	18.1	21.5	21.7	21.4	21.6	22.1	21.9	21.9	21.9
PAT	**2,895**	**3,580**	**4,301**	**4,907**	**5,741**	**6,549**	**7,610**	**9,095**	**10,743**
Change (%)	16.2	23.7	20.1	14.1	17.0	14.1	16.2	19.5	18.1
Proposed Dividend	0	0	0	0	0	0	0	0	0

Balance sheet

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Capital	785	789	791	791	792	793	793	793	793
Reserves & Surplus	23,229	27,297	31,906	36,942	42,817	49,716	57,326	66,421	77,163
Net Worth	**24,014**	**28,086**	**32,697**	**37,733**	**43,608**	**50,508**	**58,119**	**67,213**	**77,956**
Borrowings	**63,454**	**79,725**	**98,407**	**1,23,365**	**1,39,185**	**1,56,856**	**1,83,559**	**2,19,586**	**2,64,147**
Change (%)	18.6	25.6	23.4	25.4	12.8	12.7	17.0	19.6	20.3
Other liabilities	2,132	2,392	3,002	4,096	3,392	4,761	5,713	6,570	7,555
Total Liabilities	**89,600**	**1,10,204**	**1,34,105**	**1,65,195**	**1,86,185**	**2,12,125**	**2,47,391**	**2,93,369**	**3,49,658**
Loans	**75,233**	**90,534**	**1,14,763**	**1,40,044**	**1,62,297**	**1,83,727**	**2,15,192**	**2,55,927**	**3,07,863**
Change (%)	21.7	20.3	26.8	22.0	15.9	13.2	17.1	18.9	20.3
Investments	**45**	**675**	**1,231**	**1,822**	**2,300**	**2,708**	**3,188**	**3,985**	**4,982**
Change (%)	0.0	1,400.4	82.3	48.0	26.3	17.7	17.7	25.0	25.0
Other assets	14,323	18,994	18,112	23,329	21,587	25,690	29,010	33,456	36,813
Total Assets	**89,600**	**1,10,204**	**1,34,105**	**1,65,195**	**1,86,185**	**2,12,125**	**2,47,391**	**2,93,369**	**3,49,658**

E: MOFSL Estimates

Financials and valuations

Ratios								(%)	(%)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Spreads Analysis (%)									
Avg Yield on Loan portfolio	14.1	13.8	13.7	13.6	13.5	13.5	13.2	13.6	13.8
Avg. Cost of borrowings	7.8	6.7	6.6	7.5	7.7	7.4	7.5	7.8	8.0
Interest Spread	6.3	7.1	7.1	6.1	5.8	6.1	5.8	5.8	5.8
Net Interest Margin (AUM)	6.0	6.3	6.2	5.8	5.4	5.4	5.2	5.3	5.3
Profitability Ratios (%)									
RoE	12.9	13.7	14.2	13.9	14.1	13.9	14.0	14.5	14.8
RoA	3.5	3.6	3.5	3.3	3.3	3.3	3.3	3.4	3.3
Loans/Equity (x)	3.1	3.2	3.5	3.7	3.7	3.6	3.7	3.8	3.9
Cost/Income	39.7	42.3	44.9	45.6	43.8	45.0	43.1	42.4	41.4
Asset Quality (%)									
Gross NPAs	739	904	1,067	1,319	1,763	1,938	2,586	2,987	3,489
Gross NPAs to Adv.	1.0	1.0	0.9	0.9	1.1	1.1	1.2	1.2	1.1
Net NPAs	538	695	780	939	1,191	1,241	1,655	1,972	2,320
Net NPAs to Adv.	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.8	0.8

VALUATION	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Book Value (INR)	306	356	414	477	551	637	733	848	983
Price-BV (x)	**3.7**	**3.2**	**2.7**	**2.4**	**2.0**	**1.8**	**1.5**	**1.3**	**1.1**
EPS (INR)	36.9	45.4	54.4	62.0	72.5	82.6	96.0	114.7	135.5
EPS Growth YoY	16	23	20	14	17	14	16.2	19.5	18.1
Price-Earnings (x)	**30.6**	**24.9**	**20.7**	**18.2**	**15.6**	**13.7**	**11.8**	**9.8**	**8.3**
Dividend per share (INR)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

E: MOFSL Estimates

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