

Estimate change	
TP change	
Rating change	

Bloomberg	BAF IN
Equity Shares (m)	6222
M.Cap.(INRb)/(USDb)	6001 / 66.5
52-Week Range (INR)	1103 / 787
1, 6, 12 Rel. Per (%)	0/5/4
12M Avg Val (INR M)	8729

Financials & Valuations (INR b)			
Y/E March	FY26E	FY27E	FY28E
Net Income	540	653	795
PPP	362	440	543
PAT	195	254	320
EPS (INR)	31	41	51
EPS Gr. (%)	16	31	26
BV/Sh. (INR)	184	219	262
Ratios			
NIM (%)	9.7	9.6	9.6
C/I ratio (%)	33.1	32.5	31.8
RoA (%)	3.8	4.1	4.2
RoE (%)	18.5	20.4	21.4
Payout (%)	16.0	15.1	15.1
Valuations			
P/E (x)	30.8	23.6	18.8
P/BV (x)	5.3	4.4	3.7
Div. Yield (%)	0.5	0.6	0.8

Shareholding Pattern (%)			
As On	Dec-25	Sep-25	Dec-24
Promoter	54.7	54.7	54.7
DII	14.9	14.5	15.2
FII	21.6	22.1	20.8
Others	8.8	8.8	9.3

FII includes depository receipts

**CMP: INR964** **TP: INR1,075 (+11%)** **Neutral**

## Core healthy; proactive provisioning clouds near-term optics

### Steady AUM growth and improving AQ vintages support medium-term outlook

- Bajaj Finance's (BAF) reported 3QFY26 PAT declined ~6% YoY to ~INR40.7b. PAT (excl. accelerated provisions and provisions on the new labor codes) grew 23% YoY to ~INR53.2b (in line).
- NII in 3QFY26 grew 21% YoY to ~INR113.2b (in line). Non-interest income stood at ~INR25.6b (up 12% YoY). Opex grew ~25% YoY to ~INR48b (~7% higher than MOFSLe). The company made provisions of INR2.65b on account of the new labor codes. PPoP stood at INR90.5b (in line) and grew 16% YoY.
- Credit costs rose to ~INR36.3b (including accelerated ECL provisions of INR14.1b). Annualized credit costs stood at ~3.1% (at ~1.9%, excl. accelerated ECL provisions) (PQ: ~2.05%). 3QFY26 RoA/RoE stood at 4.3%/18.5% (adjusted for the accelerated ECL and provisions on the new labor codes).
- The company undertook accelerated ECL provisions of ~INR14b voluntarily to strengthen its balance sheet resilience in the face of a volatile global macroeconomic environment. This was done by implementing a minimum LGD floor across all its businesses, reflecting a more conservative risk framework. This led to an increase in PCR across all of S1/S2/S3 loans, and management guided that it expects an additional provisioning of ~INR3b-4b in FY27 from this higher PCR across S1/S2/S3.
- Despite the permanent increase in PCRs, BAF guided for credit costs between ~165-175bp in FY27 (which is inclusive of additional provisions required to maintain a higher PCR). This guidance was underpinned by expectations of a more stable operating environment, the wind-down of the captive 2W/3W business, and a reduction in stress in the MSME segment.
- BAF's market share remains relatively small across most segments, indicating substantial headroom for expansion. However, management emphasized that growth will be pursued selectively, with each business scaled only when returns are economically sustainable, maintaining a strong focus on segment-level RoA and RoE. Going forward, management expects growth across business segments to be in the range of ~20- 30%, while gold loans could exhibit higher growth if gold prices were to remain elevated.
- We cut our FY26 EPS estimates by ~4% to factor in the impact of accelerated ECL provisions. We have also factored in the INR14.2b gain from the BHFL stake sale in our estimates, directly into the balance sheet.
- The stock trades at 4.4x FY27E P/BV and ~24x P/E. Despite a strong PAT CAGR of ~28% over FY26-FY28E and an RoA/RoE of 4.2%/21% in FY28E, we see limited upside catalysts given the rich valuations and a lack of near-term valuation re-rating triggers. **Reiterate our Neutral rating on the stock with a TP of INR1,075 (premised on 4.3x Dec'27E BVPS).**

### Stable AUM growth despite rising competitive intensity

- Total customer franchise rose to ~115.4m (up 19% YoY/4% QoQ), and new loans booked rose 15% YoY to ~13.9m. Total AUM grew 22% YoY and ~4.8% QoQ to INR4.84t. QoQ AUM growth was driven by Gold Loans (+20%), LAS (+7%), B2B Sales Finance (+8%), and Car Loans (+7%).
- Management highlighted that competition has intensified nearly threefold across segments, including personal loans, urban, and rural B2C, with PSU banks foraying into untapped markets.
- NIM in 3QFY26 was broadly stable QoQ at ~9.56%.
- We expect BAF to achieve loan growth of ~24% over FY26–28, driven by the completion of the captive 2W/3W business wind-down, a rebound in the MSME segment in 2HFY27, and a healthy contribution from other businesses.

### Improving vintage performance expected to drive lower credit costs

- Asset quality improved marginally with GNPA at ~1.2%, while NNPA declined ~13bp QoQ to ~0.47%. PCR rose across all three stages. PCR on S3 rose ~9pp QoQ to ~61%, Stage 2 PCR rose ~6pp QoQ to 36.6%, and Stage 1 PCR rose ~25bp QoQ to 98bp.
- Vintage credit performance at 3MOB, 6MOB, and 9MOB has improved significantly, which suggests that the core credit costs in FY27 would be lower. We expect credit costs to trend down from ~1.9% (excluding accelerated provisions) in FY26 to ~1.8% / 1.7% in FY27/FY28E.

### Highlights from the management commentary

- Gain on stake sale in BHFL stood at INR14b (pre-tax). This is reported below the P&L in the consolidated financials and directly accretes to reserves and surplus.
- The cost of funds in 3QFY26 stood at 7.45%, improving ~7bp over 2QFY26, with FY26 CoB guidance at ~7.55–760%. Management highlighted that there is limited scope for downward repricing in its CoF.

### Valuation and view

- BAF reported broadly in-line performance, excluding the impact of accelerated ECL provisions and provisions related to the new labor codes. AUM growth moderated to 22% YoY, reflecting business volumes calibration in the MSME segment and the ongoing wind-down of the captive 2W/3W business. NIMs are expected to remain largely stable. Asset quality in the MSME segment will continue to be a monitorable, and management's execution on its credit cost guidance of ~165–175bp in FY27 will also be closely tracked.
- The stock trades at 4.4x FY27E P/BV and ~24x FY27E P/E. Despite a healthy PAT CAGR of ~24% over FY26–FY28E and an RoA/RoE of 4.2%/21% in FY28E, we see limited upside catalysts given the rich valuations and lack of near-term valuation re-rating triggers. **Reiterate our Neutral rating on the stock with a TP of INR1,075 (premised on 4.3x Dec'27E BVPS).**

Y/E March	Quarterly Performance								(INR m)				
	FY25				FY26E								
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY25	FY26E	3Q Act V/s	FY26E	Est
Interest Income	1,40,492	1,49,870	1,57,682	1,63,591	1,71,447	1,77,960	1,86,565	1,95,185	6,11,636	7,31,156	1,85,879	0	
Interest expenses	56,839	61,493	63,856	65,520	69,177	70,113	73,387	77,129	2,47,708	2,89,806	73,198	0	
<b>Net Interest Income</b>	<b>83,653</b>	<b>88,377</b>	<b>93,826</b>	<b>98,072</b>	<b>1,02,270</b>	<b>1,07,847</b>	<b>1,13,178</b>	<b>1,18,056</b>	<b>3,63,928</b>	<b>4,41,351</b>	<b>1,12,681</b>	0	
YoY Growth (%)	24.5	22.8	22.6	22.4	22.3	22.0	20.6	20.4	23.0	21.3	20.1		
Other Operating Income	20,531	21,084	22,901	21,096	23,831	23,848	25,581	25,602	85,612	98,862	25,151	2	
<b>Net Income</b>	<b>1,04,185</b>	<b>1,09,461</b>	<b>1,16,727</b>	<b>1,19,168</b>	<b>1,26,101</b>	<b>1,31,695</b>	<b>1,38,759</b>	<b>1,43,658</b>	<b>4,49,540</b>	<b>5,40,212</b>	<b>1,37,832</b>	1	
YoY Growth (%)	24.1	23.8	25.5	22.7	21.0	20.3	18.9	20.6	24.0	20.2	18.1		
Operating Expenses	34,709	36,390	38,670	39,493	41,230	42,959	48,215	46,258	1,49,261	1,78,662	45,021	7	
<b>Operating Profit</b>	<b>69,475</b>	<b>73,071</b>	<b>78,057</b>	<b>79,675</b>	<b>84,871</b>	<b>88,736</b>	<b>90,543</b>	<b>97,400</b>	<b>3,00,279</b>	<b>3,61,550</b>	<b>92,811</b>	-2	
YoY Growth (%)	25.3	25.2	27.1	24.3	22.2	21.4	16.0	22.2	25.5	20.4	18.9		
Provisions and Cont.	16,847	19,091	20,433	23,289	21,202	22,688	36,255	21,231	79,660	1,01,375	22,997	58	
<b>Profit before Tax</b>	<b>52,654</b>	<b>54,015</b>	<b>57,624</b>	<b>56,474</b>	<b>63,676</b>	<b>66,081</b>	<b>54,311</b>	<b>76,169</b>	<b>2,20,796</b>	<b>2,60,175</b>	<b>69,814</b>	-22	
Tax Provisions	13,534	13,877	14,572	11,018	16,023	16,604	13,651	19,287	53,002	65,564	18,082	-25	
<b>Net Profit</b>	<b>39,120</b>	<b>40,137</b>	<b>43,052</b>	<b>45,456</b>	<b>47,653</b>	<b>49,478</b>	<b>40,660</b>	<b>56,883</b>	<b>1,67,795</b>	<b>1,94,611</b>	<b>51,732</b>	-21	
YoY Growth (%)	13.8	13.0	18.3	18.9	21.8	23.3	-5.6	25.1	16.0	16.1	20.2		
<b>Key Operating Parameters (%)</b>													
Fees to Net Income Ratio	19.7	19.3	19.6	17.7	18.9	18.1	18.4	17.8					
Credit Cost	1.99	2.13	2.16	2.33	2.02	2.05	3.12	1.74					
Cost to Income Ratio	33.3	33.2	33.1	33.1	32.7	32.6	34.7	32.2					
Tax Rate	25.7	25.7	25.3	19.5	25.2	25.1	25.1	25.3					
<b>Balance Sheet Parameters</b>													
AUM (INR B)	3,542	3,739	3,980	4,167	4,415	4,623	4,845	5,092					
Change YoY (%)	31.1	28.8	28.0	26.0	24.6	23.6	21.7	22.2					
Loans (INR B)	3,497	3,675	3,902	4,078	4,325	4,525	4,756	5,004					
Change YoY (%)	31.8	28.6	27.4	25.0	23.7	23.1	21.9	22.7					
Borrowings (INR B)	3,048	3,192	3,349	3,573	3,718	3,952	4,157	4,399					
Change YoY (%)	29.6	25.5	26.9	23.4	22.0	23.8	24.1	23.1					
Loans/Borrowings (%)	114.7	115.1	116.5	114.1	116.3	114.5	114.4	113.8					
<b>Asset Quality Parameters (%)</b>													
GS 3 (INR B)	30.5	39.5	44.6	39.7	45.2	56.9	58.8						
Gross Stage 3 (% on Assets)	0.86	1.06	1.12	0.96	1.03	1.24	1.21						
NS 3 (INR B)	13.4	17.0	19.1	18.4	21.7	27.4	22.7						
Net Stage 3 (% on Assets)	0.38	0.46	0.48	0.44	0.50	0.60	0.47						
PCR (%)	85.5	57.1	57.2	53.7	51.9	51.8	61.3						
<b>Return Ratios (%)</b>													
ROAA (Rep)	4.63	4.48	4.5	4.6	4.5	4.5	4.5						
ROAE (Rep)	19.86	19.08	19.1	19.1	19	19.1	19.1						

E: MOFSL Estimates



## Highlights from the management commentary

### Guidance

- BAF guided for AUM growth of ~22- 23% in FY26, driven by a slowdown in the MSME business and winding down of the captive finance book.
- The company guided for FY27 credit costs of ~165–175bp (including higher provisions from higher PCR).
- Management expects all business segments to grow at ~20-30%, except gold loans, where growth could be higher if gold prices remain elevated.
- Fee income growth is expected to normalize at ~18-20% from FY27 onwards.

### Asset quality

- GNPA and NNPA stood at ~1.21% and ~0.47%, respectively.
- Management highlighted that, to enhance balance sheet resilience amid a volatile global economic environment, a minimum LGD floor has been implemented across all businesses. Accordingly, an accelerated ECL provision of ~INR14b was taken in 3QFY26. This led to an increase in PCR across all three stages.
- Stage-wise PCR: S1 PCR rose from 0.74% to 0.98% QoQ; S2 PCR rose from 31% to 37% QoQ, and S3 PCR rose from 52% to 61% QoQ.
- Management mentioned that the volatile macroeconomic environment necessitated additional provisioning to protect the balance sheet and P&L. Management guided that it expects an additional provisioning of ~INR3b-4b in FY27 from this higher PCR across S1/S2/S3.
- Vintage credit performance at 3MOB, 6MOB, and 9MOB has improved significantly, which suggests that the core credit costs in FY27 would be lower.
- Consumer leverage remains a concern, but bureau data shows flat YoY trends.
- Stage-wise PCR coverage was redefined with the same LGD applied uniformly across all the three stages. Different PD and EAD assumptions across the three stages result in different PCR.

### Cost of funds and liabilities

- Cost of funds in 3Q was 7.45%, improving ~7bp over 2QFY26, with FY26 CoB guidance at ~7.55–760%.
- Management highlighted that there is limited repricing remaining in the CoF.
- Deposit book stood at INR710b, contributing ~17% to consolidated borrowings.

### Customer acquisitions, geographical presence, and franchise

- New loans booked stood at ~13.9m in 3QFY26 (v/s ~12.06m in 3QFY25), reflecting ~15% YoY growth.
- In 3QFY26, ~4.76m new customers were added; management expects new customer additions of ~17-18m in FY26.
- Customer franchise stood at ~115.4m as of Dec'25, with a cross-sell franchise of ~73.8m.
- Geographic presence covered 4,052 locations, with focus shifting from expansion to deeper penetration.

### Growth and business strategy

- Gold loans are expected to continue growing as long as pricing holds. The growth will be supported by sustained distribution expansion and rising gold prices, with AI adoption further enhancing operational efficiency and customer access. Management targets to continue increasing its distribution in gold loans.
- BAF's market share remains small across most business segments, leaving significant growth potential.

### Operational Highlights

- Management highlighted that sustainable ROE is a key benchmark for allocating capital to each business line and would evaluate a new product only where there is a visibility of USD2b opportunity in the next five years.
- Competition has intensified threefold across segments, including personal loans and urban/rural B2C, with public sector banks entering previously untapped markets.
- The company shared that along with growing the balance sheet, the focus is on sustainable profitability.
- Customer-centric strategy will define the company performance over the next 3-5 years, enabling easier business with existing customers and providing opex and credit cost benefits. This would be done with the assistance of AI.
- By FY30, management envisions ~100m loans per year, supported by a 40:60 hunting-to-farming strategy to capture larger wallet share.

### AI & technology initiatives

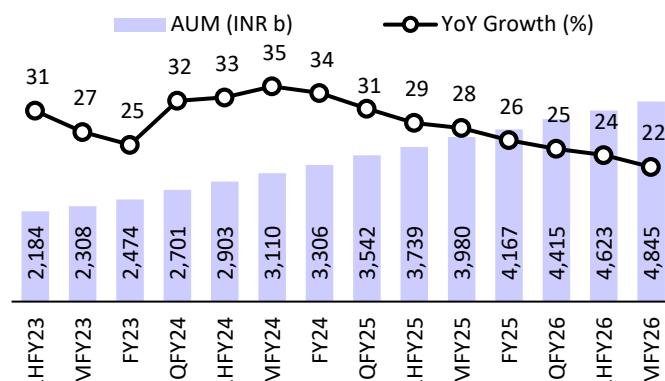
- Management highlighted that AI is transitioning from innovation to implementation, with expected benefits across customer journeys.
- In 3Q, AI was deployed for voice-to-text and text-to-data conversion for customer interactions, video and banner generation, face matching for onboarding, and automated quality checks. Efficiency gains of 25–45% have emerged.
- It plans to enable AI across the app and website for all business and service journeys in FY27 and to build a new consumer AI platform.
- The company aims to become a tech-enabled financial company in India, with a focus on expanding market share and wallet share.

### Others

- BAF made a one-time provisions of ~INR2.65b on account of the new labor codes.
- Gain on stake sale in BHFL stood at INR14b (pre-tax). This is reported below the P&L in the consolidated financials and directly accretes to reserves and surplus.
- 3QFY26 RoA/RoE stood at 4.3%/18.5% (adjusted for the accelerated ECL and one-time charge of new labor codes)
- Capital adequacy stood at 21.45% as of Dec'25.
- Margins in new car financing are very thin.

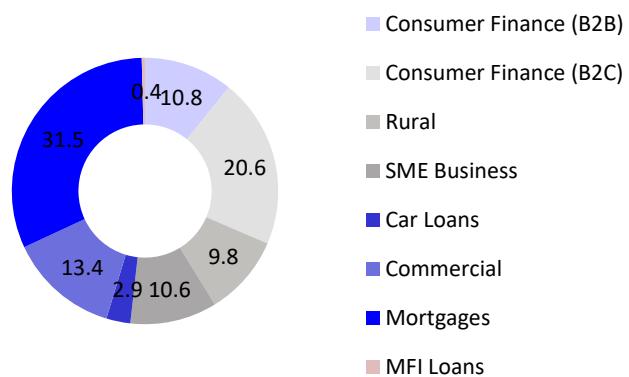
## Story in charts

**Exhibit 1: AUM grew at 22% YoY**



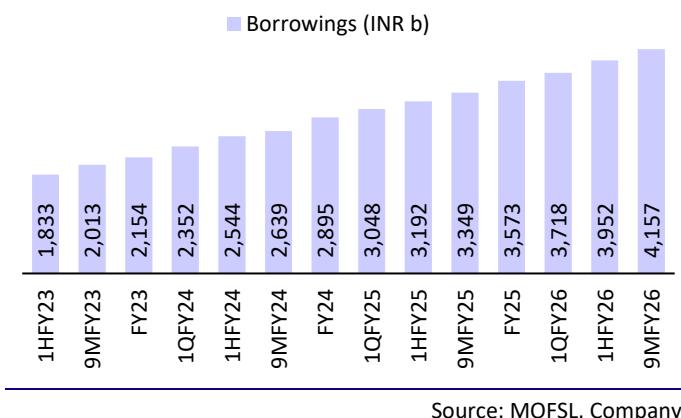
Source: MOFSL, Company

**Exhibit 2: AUM mix (%)**



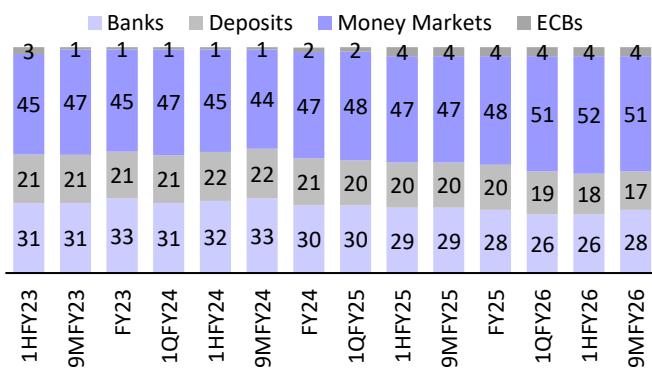
Source: MOFSL, Company; Note: Data as of 3QFY26

**Exhibit 3: Borrowings grew 24% YoY**



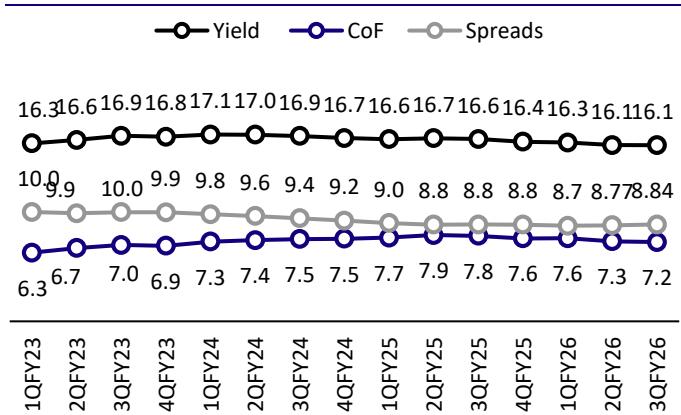
Source: MOFSL, Company

**Exhibit 4: Share of banks increases QoQ (%)**



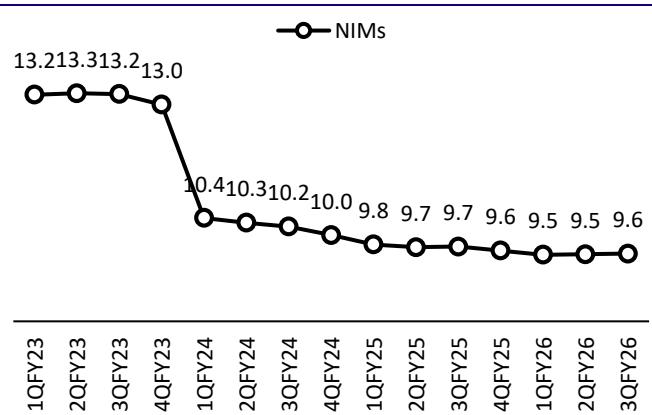
Source: MOFSL, Company

**Exhibit 5: Calculated spreads rose ~7bp QoQ (%)**



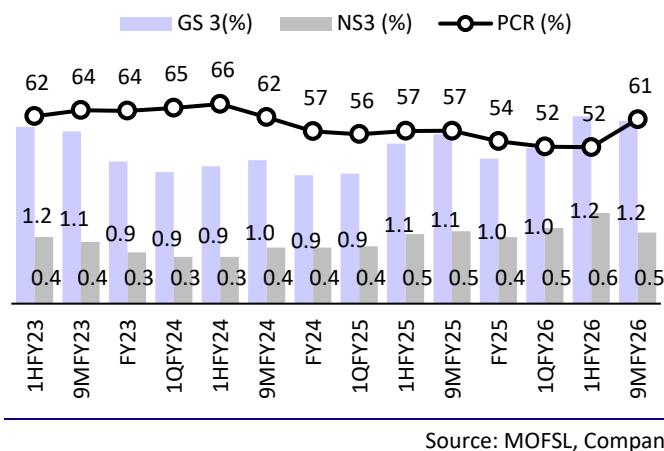
Source: MOFSL, Company

**Exhibit 6: NIMs remained broadly stable QoQ (%)**

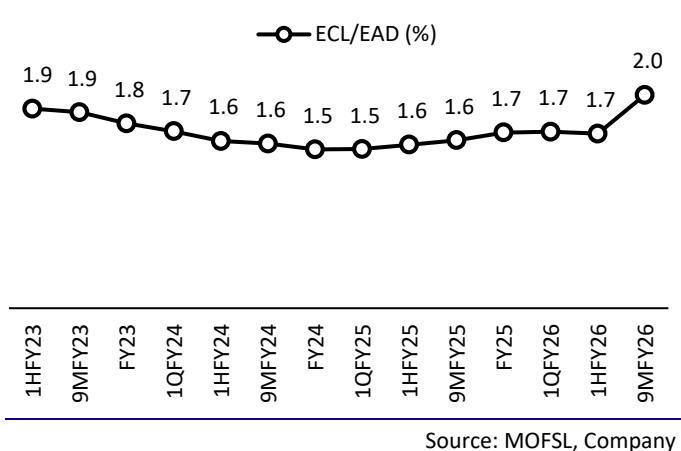


Source: MOFSL, Company

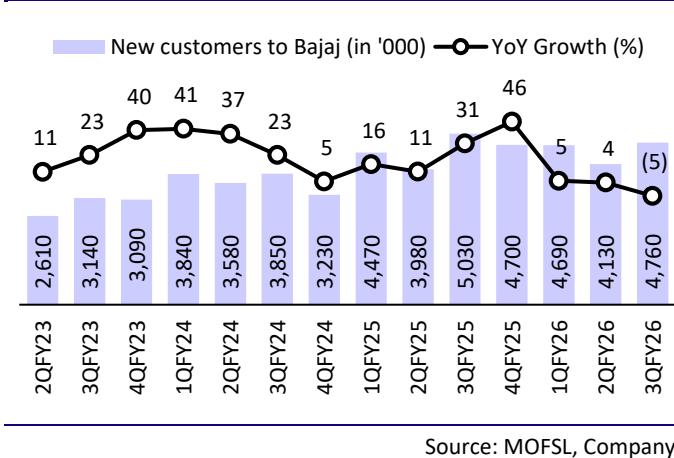
**Exhibit 7: PCR improved ~9pp QoQ (%)**



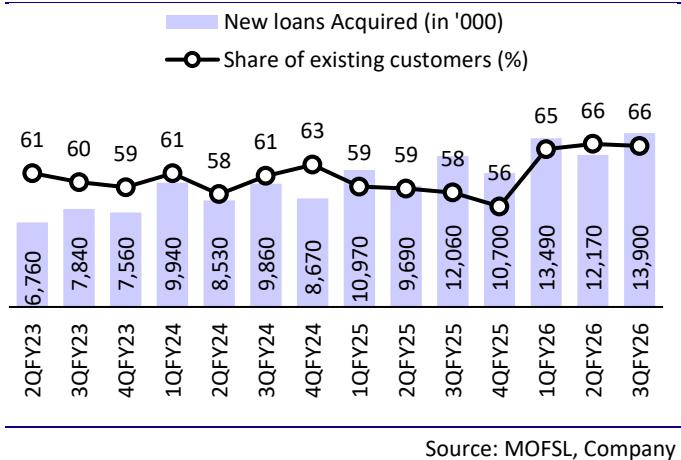
**Exhibit 8: Total ECL provisions increased to ~200bp of EAD**



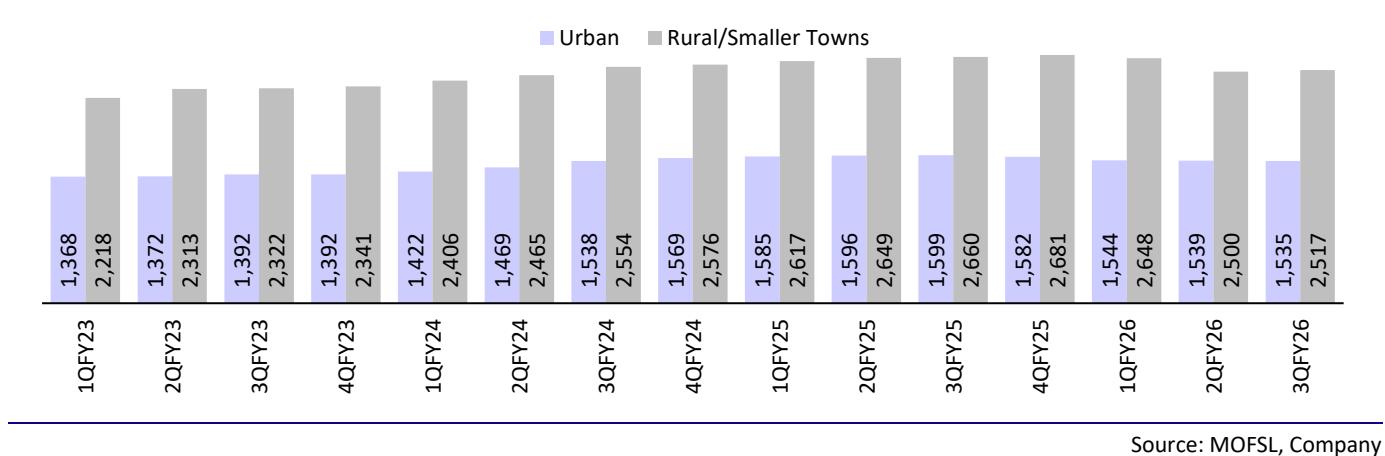
**Exhibit 9: New customer additions declined ~5% YoY**



**Exhibit 10: New loans booked increased to ~13.9m**



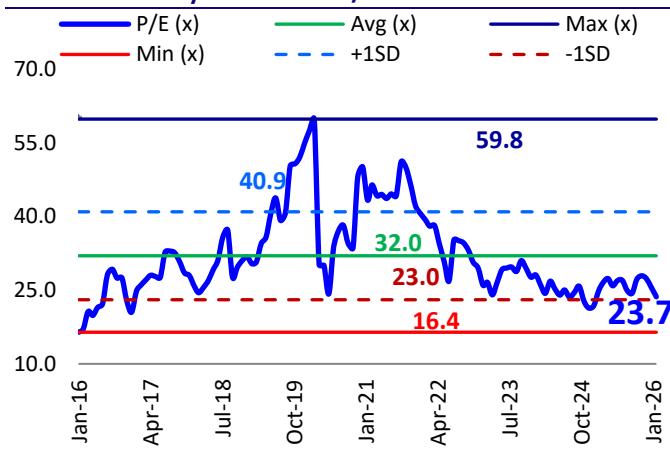
**Exhibit 11: Trend in branch expansion**



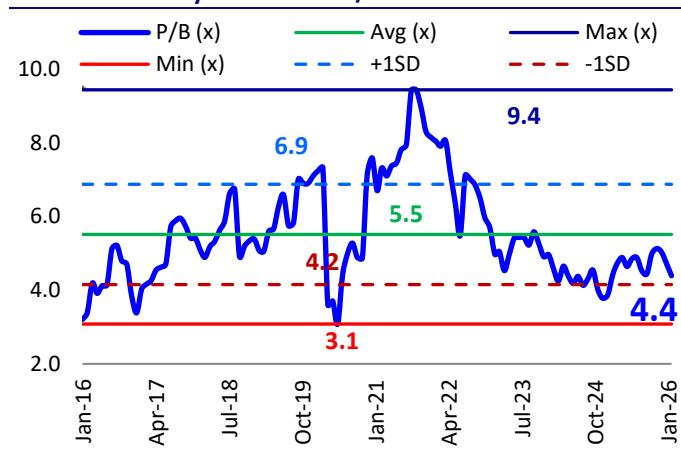
**Exhibit 12: We cut our FY26 EPS estimates by ~4% to factor in the impact of accelerated ECL provisions**

INR B	Old Est.			New Est.			% Change		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
NII	440.2	543.3	675.7	441.4	539.6	665.5	0.3	-0.7	-1.5
Other operating Income	97.2	110.0	125.1	98.5	113.0	129.4	1.4	2.7	3.4
Other Income	0.5	0.6	0.7	0.3	0.4	0.5	-30.4	-30.4	-30.4
<b>Total Income</b>	<b>537.9</b>	<b>653.9</b>	<b>801.5</b>	<b>540.2</b>	<b>653.0</b>	<b>795.4</b>	<b>0.4</b>	<b>-0.1</b>	<b>-0.8</b>
Operating Expenses	176.1	212.6	255.0	178.7	212.5	252.7	1.5	-0.1	-0.9
<b>Operating Profits</b>	<b>361.8</b>	<b>441.2</b>	<b>546.4</b>	<b>361.5</b>	<b>440.5</b>	<b>542.7</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.7</b>
Provisions	89.2	102.3	118.7	101.4	100.6	115.6	13.7	-1.7	-2.7
<b>PBT</b>	<b>272.6</b>	<b>338.9</b>	<b>427.7</b>	<b>260.2</b>	<b>339.9</b>	<b>427.2</b>	<b>-4.6</b>	<b>0.3</b>	<b>-0.1</b>
Tax	69.5	86.4	109.1	65.6	85.7	107.6	-5.7	-0.9	-1.3
<b>PAT</b>	<b>203.1</b>	<b>252.5</b>	<b>318.6</b>	<b>194.6</b>	<b>254.2</b>	<b>319.5</b>	<b>-4.2</b>	<b>0.7</b>	<b>0.3</b>
Loans	4,996	6,220	7,682	5,004	6,180	7,633	0.2	-0.6	-0.6
Borrowings	4,392	5,460	6,706	4,399	5,417	6,659	0.2	-0.8	-0.7
<b>RoA</b>	<b>3.9</b>	<b>4.0</b>	<b>4.1</b>	<b>3.8</b>	<b>4.1</b>	<b>4.2</b>			
<b>RoE</b>	<b>19.3</b>	<b>20.3</b>	<b>21.4</b>	<b>18.5</b>	<b>20.4</b>	<b>21.4</b>			

**Exhibit 13: One-year forward P/E**



**Exhibit 14: One-year forward P/B**



## Financials and valuations

Income Statement									INR m
Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	2,29,704	2,33,034	2,72,698	3,55,502	4,83,066	6,11,636	7,31,156	8,88,049	10,91,215
Interest Expended	94,732	94,140	97,482	1,25,599	1,87,247	2,47,708	2,89,806	3,48,458	4,25,694
<b>Net Interest Income</b>	<b>1,34,972</b>	<b>1,38,894</b>	<b>1,75,215</b>	<b>2,29,903</b>	<b>2,95,819</b>	<b>3,63,928</b>	<b>4,41,351</b>	<b>5,39,591</b>	<b>6,65,521</b>
Change (%)	38.8	2.9	26.2	31.2	28.7	23.0	21.3	22.3	23.3
Other Operating Income	34,034	33,647	43,627	58,472	66,629	85,200	98,532	1,12,967	1,29,365
Other Income	118	150	80	83	130	413	330	413	516
<b>Net Income</b>	<b>1,69,124</b>	<b>1,72,691</b>	<b>2,18,922</b>	<b>2,88,458</b>	<b>3,62,578</b>	<b>4,49,540</b>	<b>5,40,212</b>	<b>6,52,971</b>	<b>7,95,402</b>
Change (%)	42.4	2.1	26.8	31.8	25.7	24.0	20.2	20.9	21.8
Operating Expenses	56,608	53,082	75,850	1,01,300	1,23,252	1,49,261	1,78,662	2,12,480	2,52,674
<b>Operating Profits</b>	<b>1,12,516</b>	<b>1,19,608</b>	<b>1,43,072</b>	<b>1,87,158</b>	<b>2,39,326</b>	<b>3,00,279</b>	<b>3,61,550</b>	<b>4,40,491</b>	<b>5,42,728</b>
Change (%)	46.5	6.3	19.6	30.8	27.9	25.5	20.4	21.8	23.2
Provisions and W/Offs	39,295	59,686	48,034	31,897	46,307	79,660	1,01,375	1,00,599	1,15,553
<b>PBT</b>	<b>73,221</b>	<b>59,923</b>	<b>95,038</b>	<b>1,55,279</b>	<b>1,93,019</b>	<b>2,20,618</b>	<b>2,60,175</b>	<b>3,39,892</b>	<b>4,27,175</b>
Tax	20,584	15,724	24,756	40,202	48,584	53,002	65,564	85,653	1,07,648
Tax Rate (%)	28.1	26.2	26.0	25.9	25.2	24.0	25.2	25.2	25.2
<b>PAT</b>	<b>52,638</b>	<b>44,198</b>	<b>70,282</b>	<b>1,15,077</b>	<b>1,44,435</b>	<b>1,67,617</b>	<b>1,94,611</b>	<b>2,54,239</b>	<b>3,19,527</b>
Change (%)	31.8	-16.0	59.0	63.7	25.5	16.0	16.1	30.6	25.7
Proposed Dividend	7,254	6,026	6,036	18,626	22,351	34,768	31,040	38,263	48,089
Balance Sheet									INR m
Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Capital	1,200	1,203	1,207	1,209	1,236	1,242	6,209	6,209	6,209
Reserves & Surplus (Ex OCI)	3,22,951	3,69,179	4,36,643	5,43,349	7,65,198	9,65,687	11,34,913	13,50,890	16,22,328
<b>Net Worth</b>	<b>3,24,150</b>	<b>3,70,382</b>	<b>4,37,850</b>	<b>5,44,558</b>	<b>7,66,434</b>	<b>9,66,929</b>	<b>11,41,122</b>	<b>13,57,098</b>	<b>16,28,536</b>
OCI	-874	-1,198	-723	-839	519	0	0	0	0
<b>Net Worth (Including OCI)</b>	<b>3,23,276</b>	<b>3,69,184</b>	<b>4,37,127</b>	<b>5,43,720</b>	<b>7,66,954</b>	<b>9,66,929</b>	<b>11,41,122</b>	<b>13,57,098</b>	<b>16,28,536</b>
Change (%)	64.1	14.2	18.4	24.4	41.1	26.1	18.0	18.9	20.0
<b>Borrowings</b>	<b>12,98,064</b>	<b>13,16,335</b>	<b>16,52,549</b>	<b>21,67,399</b>	<b>29,34,052</b>	<b>36,12,487</b>	<b>43,98,734</b>	<b>54,16,985</b>	<b>66,59,447</b>
Change (%)	27.8	1.4	25.5	31.2	35.4	23.1	21.8	23.1	22.9
Other liabilities	22,573	29,185	35,378	41,168	56,411	81,853	94,131	1,08,251	1,24,488
<b>Total Liabilities</b>	<b>16,43,914</b>	<b>17,14,704</b>	<b>21,25,054</b>	<b>27,52,287</b>	<b>37,57,416</b>	<b>46,61,268</b>	<b>56,33,987</b>	<b>68,82,334</b>	<b>84,12,471</b>
<b>Investments</b>	<b>1,75,439</b>	<b>1,83,969</b>	<b>1,22,455</b>	<b>2,27,518</b>	<b>3,08,807</b>	<b>3,44,408</b>	<b>3,75,405</b>	<b>3,94,175</b>	<b>4,13,884</b>
Change (%)	104.0	4.9	-33.4	85.8	35.7	11.5	9.0	5.0	5.0
<b>Loans</b>	<b>14,27,989</b>	<b>14,66,869</b>	<b>19,14,233</b>	<b>24,22,689</b>	<b>32,62,933</b>	<b>40,78,441</b>	<b>50,04,248</b>	<b>61,80,246</b>	<b>76,32,604</b>
Change (%)	25.6	2.7	30.5	26.6	34.7	25.0	22.7	23.5	23.5
Other assets	40,485	63,866	88,366	1,02,079	1,85,677	2,38,419	2,54,334	3,07,913	3,65,983
<b>Total Assets</b>	<b>16,43,914</b>	<b>17,14,704</b>	<b>21,25,054</b>	<b>27,52,287</b>	<b>37,57,416</b>	<b>46,61,268</b>	<b>56,33,987</b>	<b>68,82,334</b>	<b>84,12,471</b>

E: MOFSL Estimates

## Financials and valuations

Ratios		(%)								
Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	
<b>Spreads Analysis (%)</b>										
Yield on Advances	17.9	16.1	16.1	16.4	17.0	16.7	16.1	15.9	15.8	
Cost of borrowings	8.2	7.2	6.6	6.6	7.3	7.6	7.2	7.1	7.1	
Interest Spread	9.7	8.9	9.6	9.8	9.7	9.1	8.9	8.8	8.8	
Net Interest Margin	10.5	9.6	10.4	10.6	10.4	9.9	9.7	9.6	9.6	
<b>Profitability Ratios (%)</b>										
Cost/Income	33.5	30.7	34.6	35.1	34.0	33.2	33.1	32.5	31.8	
Empl. Cost/Op. Exps.	45.0	47.0	47.3	49.9	51.9	50.3	50.3	49.5	48.3	
RoE	20.2	12.7	17.4	23.4	22.0	19.3	18.5	20.4	21.4	
RoA	3.6	2.6	3.7	4.7	4.4	4.0	3.8	4.1	4.2	
<b>Asset Quality (%)</b>										
GNPA (INR m)	23,626	27,304	31,331	23,125	28,160	39,647	59,206	80,335	1,09,105	
NNPA (INR m)	9,373	11,354	13,144	8,361	12,098	18,340	22,498	30,527	40,369	
GNPA %	1.6	1.8	1.6	0.9	0.8	1.0	1.2	1.3	1.4	
NNPA %	0.7	0.8	0.7	0.3	0.4	0.4	0.4	0.5	0.5	
PCR %	60.3	58.4	58.0	63.8	57.0	53.7	62.0	62.0	63.0	
Total Provisions/loans %	3.1	4.1	2.8	1.5	1.6	2.2	2.2	1.8	1.7	
<b>Capitalisation (%)</b>										
CAR	25.0	28.3	27.2	25.0	22.5	21.9	24.5	24.0	24.0	
Tier I	21.3	25.1	24.8	23.2	21.5	21.1	23.7	23.4	23.5	
Tier II	3.7	3.2	2.5	1.8	1.0	0.8	0.8	0.6	0.4	
Average Leverage on Assets (x)	5.5	4.8	4.8	5.0	5.0	4.9	4.9	5.0	5.1	
<b>Valuation</b>		FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Book Value (INR)	54	62	73	90	124	156	184	219	262	
Price-BV (x)	17.9	15.7	13.3	10.7	7.8	6.2	5.3	4.4	3.7	
Adjusted BV (INR)	53	60	71	89	123	154	181	215	257	
Price-ABV (x)	18.3	16.0	13.6	10.8	7.9	6.3	5.3	4.5	3.7	
EPS (INR)	8.8	7.3	11.6	19.0	23.4	27.0	31.3	41.0	51.5	
EPS Growth (%)	26.7	-16.3	58.6	63.4	22.8	15.5	16.1	30.6	25.7	
Price-Earnings (x)	110.0	131.4	82.8	50.7	41.3	35.7	30.8	23.6	18.8	
OPS (INR)	19	20	24	31	39	48	58	71	87	
OPS Growth (%)	40.9	6.0	19.3	30.6	25.1	24.9	20.4	21.8	23.2	
Price-OP (x)	51.5	48.5	40.7	31.2	24.9	20.0	16.6	13.6	11.0	
Dividend per Share (INR)	1.0	1.0	2.0	3.0	3.6	5.6	5.0	6.2	7.7	
Dividend Yield (%)	0.1	0.1	0.2	0.3	0.4	0.6	0.5	0.6	0.8	

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