Anand Rathi

India I Equities

Financials

Company Update

Change in Estimates ☑ Target ☑ Reco ☑

3 February 2026

Bajaj Finance

Healthy quarter, provisions fortify balance sheet; upgrade to BUY

Rating: **BUY**
Target Price (12-mth): Rs.1,130
Share Price: Rs.962

Bajaj Finance reported a healthy performance in Q3FY26, with 19% y/y growth in consolidated PPoP (in-line), led by a strong 22% y/y AUM growth and increased productivity. Adjusted for one-off of accelerated ECL provisioning, PAT would have been higher than estimates. With the best-in-class execution skill, strong AI platform combined with a sharp correction in the stock price, we upgrade our rating on the stock to BUY with a revised TP of Rs1,130, valuing it at 4.5x FY28e consolidated BV (vs. 4.5x Sep'27e BV previously) for 4% expected RoA and 20% RoE.

Healthy AUM Growth (Ex-MSME & Captive Biz): Aided by deeper penetration of products, the company's AUM rose a healthy 22% y/y (up 5% q/q) in Q3FY26. Number of new loans booked grew by 15% y/y. The FINAI transformation update continues to show steady improvement. We believe multiple product lines, strong AI implementation and deepening penetration into rural markets are likely to aid 23% loan CAGR over FY25-28e.

Better NIM Outlook with Improved Productivity: NIM on AUM remained sequentially stable at 12.6%. We build in stable NIM of 12.6% over FY27/28e. At 32.8%, C/I ratio has improved by 22bps y/y, as the operating leverage pans out on account of best-in-class technology.

Asset Quality Improves with Prudent provisioning: Underlying asset quality saw improvement with Stage-2 improving by 10bps q/q to 0.9%. The management took an accelerated ECL provisioning of Rs14bn to improve its PCR across stages. Excluding this amount, credit cost would have been 1.9%. We build in stable 1.9% credit cost over FY27/28e.

Outlook and Valuation: We upgrade our rating on the stock to BUY with a revised TP of Rs1,130, valuing it at 4.5x FY28e consolidated BV. **Key Risks:** (a) Key-man risk; (b) higher slippages; (c) lower-than-expected loan growth.

Key Financials (Y/E Mar)(Rs m)	FY24	FY25	FY26e	FY27e	FY28e
NII	2,95,819	3,63,928	4,34,646	5,30,725	6,56,100
PPoP	2,39,326	3,00,279	3,59,320	4,39,855	5,45,417
Provisioning	46,307	79,660	1,06,386	1,10,958	1,29,655
PAT	1,44,512	1,67,795	1,90,965	2,46,673	3,11,822
EPS (Rs.)	23	27	31	39	50
NIM (%)	10.2	9.7	9.4	9.2	9.2
C/I	34.0	33.2	32.7	31.9	30.8
RoE (%)	22.0	19.1	19.5	20.3	20.9
RoA (%)	4.4	4.0	4.0	4.0	4.0
AUM Growth (%)	29.9	26.5	25.9	26.0	117.6
GNPA (%)	0.9	1.0	1.0	1.1	1.1
CRAR	24.5	24.1	21.2	20.8	20.6
P/E (x)	41.3	35.7	31.5	24.5	19.4
P/BV (x)	7.8	6.2	5.3	4.6	3.8
P/ABV (x)	7.9	6.3	5.4	4.6	3.9

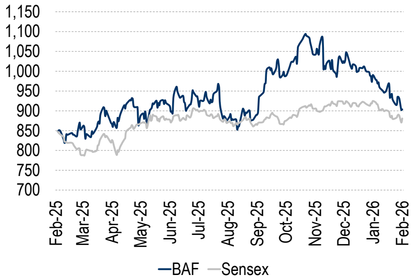
Source: Company, Anand Rathi Research

Key Data	BAF IN / BJFN.BO
52-week high / low	Rs1103 / 791
Sensex / Nifty	83739 / 25728
Market cap	Rs5898bn
Shares outstanding	6216m

Shareholding Pattern (%)	Dec'25	Sep'25	Jun'25
Promoters	54.7	54.7	54.7
- of which, Pledged			
Free float	45.3	45.3	45.3
- Foreign institutions	21.5	22.0	21.7
- Domestic institutions	14.9	14.5	14.6
- Public	8.9	8.9	9.0

Estimates Revision (%)	FY27e	FY28e
NII	(0.6)	(2.6)
PPoP	(2.5)	(2.9)
PAT	(1.7)	(2.8)

Relative Price Performance



Source: Bloomberg

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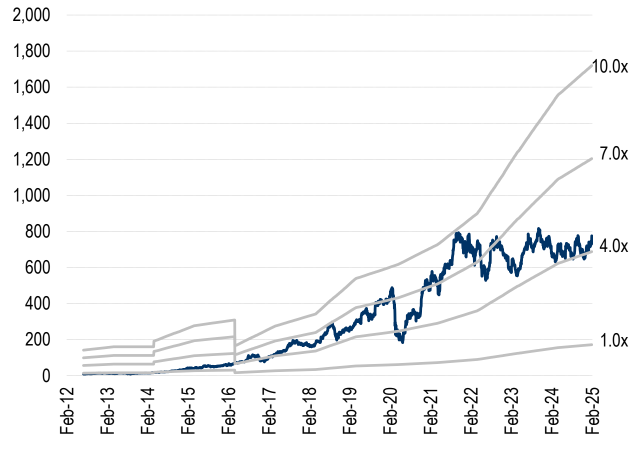
Quick Glance – Financials and Valuations

Fig 1 – Consolidated Income Statement (Rs m)

Y/E Mar	FY24	FY25	FY26e	FY27e	FY28e
Net Interest Income	2,95,819	3,63,928	4,34,646	5,30,725	6,56,100
Growth (%)	*28.7*	*23.0*	*19.4*	*22.1*	*23.6*
Non-interest Income	66,759	85,612	99,310	1,15,200	1,32,480
Total income	**3,62,578**	**4,49,540**	**5,33,956**	**6,45,925**	**7,88,580**
Total inc. growth (%)	*25.6*	*24.0*	*18.8*	*21.0*	*22.1*
Operating expenses	1,23,252	1,49,261	1,74,636	2,06,070	2,43,163
of which, emp. benefit exp.	63,960	75,083	87,848	1,02,782	1,20,255
PPoP	**2,39,326**	**3,00,279**	**3,59,320**	**4,39,855**	**5,45,417**
PPoP growth (%)	*27.9*	*25.5*	*19.7*	*22.4*	*24.0*
Provisions	46,307	79,660	1,06,386	1,10,958	1,29,655
PBT	**1,93,991**	**2,20,796**	**2,52,934**	**3,28,897**	**4,15,763**
Tax	48,584	53,002	61,969	82,224	1,03,941
PAT	**1,44,512**	**1,67,795**	**1,90,965**	**2,46,673**	**3,11,822**
PAT growth (%)	*25.6*	*16.1*	*13.8*	*29.2*	*26.4*

Source: Company, Anand Rathi Research

Fig 4 – Price-to-Book Band



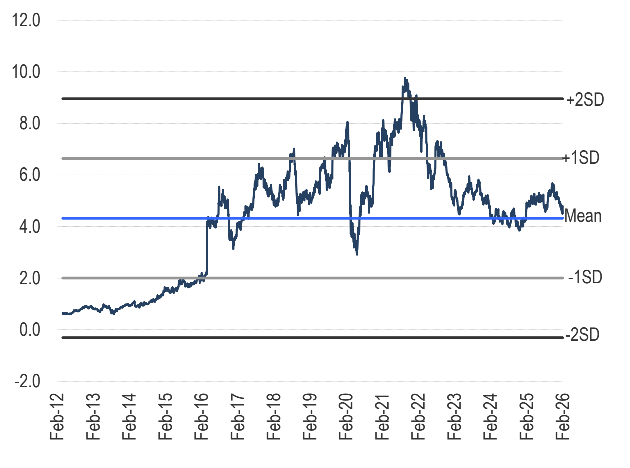
Source: Bloomberg

Fig 2 – Consolidated Balance Sheet (Rs m)

Y/E Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	1,236	1,242	1,247	1,252	1,257
Other equity	7,65,718	9,65,687	11,26,088	13,23,484	15,76,174
Net worth	**7,66,954**	**9,66,929**	**11,27,335**	**13,24,736**	**15,77,431**
Borrowings	29,33,458	36,12,487	44,79,483	55,09,764	67,77,010
Growth (%)	35.4	23.1	24.0	23.0	23.0
Other liabilities	57,004	59,413	62,228	70,723	75,465
Total Liabilities	**37,57,416**	**46,61,268**	**56,91,486**	**69,27,663**	**84,52,346**
Cash & Cash equiv.	1,06,240	1,35,435	1,99,664	2,18,514	2,55,963
Investments	3,08,807	3,44,408	3,78,849	4,24,311	4,75,228
Loans	32,62,933	40,78,441	49,75,699	61,20,109	75,27,734
Growth (%)	*34.7*	*25.0*	*22.0*	*23.0*	*23.0*
Other assets	79,436	1,05,178	1,37,274	1,64,729	1,93,420
Total Assets	**37,57,416**	**46,61,268**	**56,91,486**	**69,27,663**	**84,52,346**
AUM	**33,06,150**	**41,66,610**	**51,24,930**	**63,54,914**	**78,80,093**
RWA	**31,51,499**	**38,99,811**	**47,80,848**	**58,19,237**	**70,99,971**

Source: Company, Anand Rathi Research

Fig 5 – 1-Year Fwd. Price-to-BV



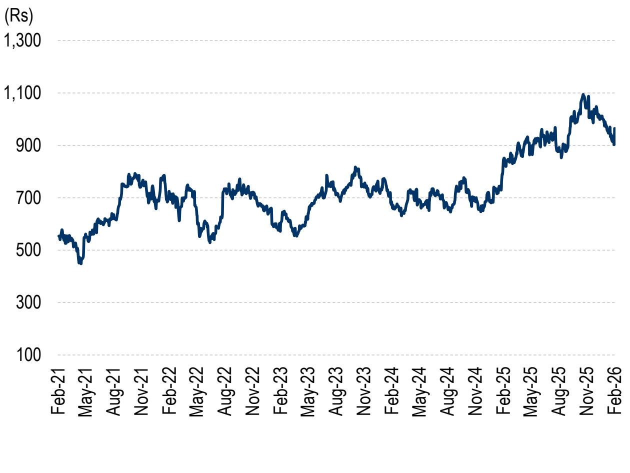
Source: Bloomberg

Fig 3 – Ratio Analysis (%)

Y/E Mar	FY24	FY25	FY26e	FY27e	FY28e
NIM	10.2	9.7	9.4	9.2	9.2
Cost-to-income	34.0	33.2	32.7	31.9	30.8
Credit cost	1.6	2.2	2.4	2.0	1.9
RoA	4.7	4.4	4.0	3.7	3.9
RoE	22.1	19.4	18.2	20.1	21.5
GNPA	0.9	1.0	1.0	1.1	1.1
NNPA	0.4	0.4	0.5	0.5	0.5
RWA / Assets	83.9	83.7	84.0	84.0	84.0
CRAR	24.5	24.1	21.2	20.8	20.6
Tier 1	21.5	21.1	20.6	20.3	20.2
EPS (Rs)	23.4	27.0	30.6	39.4	49.6
BVPS (Rs)	124	156	181	212	251
ABVPS (Rs)	123	154	178	209	247
Dividend yield	0.4	0.6	0.7	0.8	1.0
P/E (x)	41.3	35.7	31.5	24.5	19.4
P/B (x)	7.8	6.2	5.3	4.6	3.8
P/ABV (x)	7.9	6.3	5.4	4.6	3.9

Source: Company, Anand Rathi Research

Fig 6 – Price Movement



Source: Bloomberg

Key Highlights

Fig 7 – Income Statement

(Rs m)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Income from operations	1,72,788	1,78,808	1,89,286	1,95,760	2,06,181
Interest expense	63,856	65,520	69,177	70,113	73,387
Net interest income	**1,08,932**	**1,13,288**	**1,20,109**	**1,25,647**	**1,32,793**
Growth (%)	*21.8*	*21.3*	*21.5*	*22.4*	*21.9*
Other income	7,795	5,879	5,991	6,048	5,965
Total income	**1,16,727**	**1,19,168**	**1,26,101**	**1,31,695**	**1,38,759**
Growth (%)	25.5	22.7	21.0	20.3	18.9
Operating expenses	38,670	39,493	41,230	42,959	45,563
of which, emp. benefit exp.	*19,555*	*19,432*	*21,026*	*21,545*	*22,501*
PPoP	**78,057**	**79,675**	**84,871**	**88,736**	**93,196**
Growth (%)	*27.1*	*24.3*	*22.2*	*21.5*	*19.4*
Provisions	20,433	23,289	21,202	22,688	36,255
PBT	**57,624**	**56,386**	**63,668**	**66,048**	**56,941**
Tax	14,572	11,018	16,023	16,604	13,651
PAT	**43,082**	**45,456**	**47,653**	**49,478**	**40,660**
PAT growth (%)	*18.4*	*18.9*	*21.9*	*23.5*	*(5.6)*

Source: Company, Anand Rathi Research

Fig 8 – Credit Break-up

(Rs m)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Consumer B2B - auto finance	1,89,720	1,73,190	1,57,030	70,860	1,35,760
Consumer B2B - sales finance	2,91,490	2,91,090	3,28,390	3,35,500	3,56,430
Consumer B2C	2,91,490	2,91,090	3,28,390	3,35,500	3,56,430
Rural B2B sales finance	79,550	79,440	90,570	88,380	95,310
Rural B2C	2,01,350	2,14,670	2,14,050	2,26,460	2,37,300
SME	4,39,620	5,03,450	5,25,380	5,17,180	5,11,360
Securities lending	2,52,620	2,53,770	2,72,250	2,95,080	3,17,060
IPO financing	-	-	-	-	-
Commercial lending	2,60,570	2,77,600	2,98,830	3,13,590	3,31,840
Mortgages	12,20,190	12,94,610	13,63,770	14,44,120	15,27,470
Total AUM	**39,80,430**	**41,66,610**	**44,14,500**	**46,22,610**	**48,44,770**
Y/Y growth (%)	*0.3*	*0.3*	*0.2*	*0.2*	*0.2*

Source: Company, Anand Rathi Research

Fig 9 – Customer Franchise

(Rs m)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Total franchise	97.1	101.8	106.5	110.6	115.4
Credit segment filter	80.3	83.8	88.5	94.3	98.2
Overall cross-sell franchise	77.7	80.9	85.4	90.5	94.1
Non-delinquent customers	69.4	72.6	76.2	80.7	83.8
Cross-sell franchise	61.6	64.5	67.8	71.3	73.8
Customer franchise addition	**5.0**	**4.7**	**4.7**	**4.1**	**4.8**

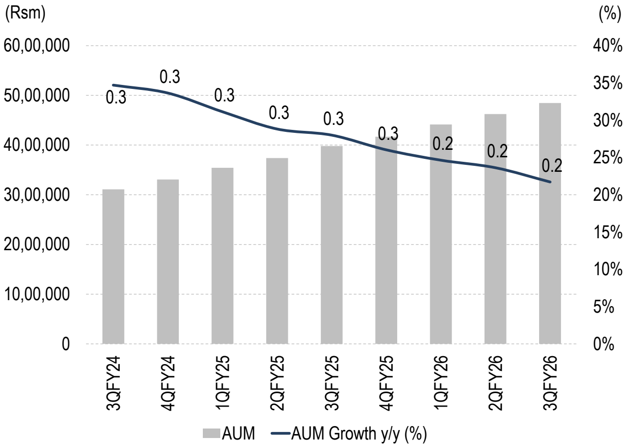
Source: Company, Anand Rathi Research

Fig 10 – Other Metrics

(Rs m)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
App metrics					
Downloads - in the qtr (m)	20	19	22	22	23
Net installs - cumulative (m)	67	71	75	78	83
App payment metrics					
UPI handles -cumulative (m)	36	40	45	48	52
Bill-pay transactions - in the qtr (m)	8	7	7	7	7
QRs at merchant PoS - cumulative ('000)	4	4	4	4	3
Rewards issues - in the qtr (m)	27	29	26	34	18
App business metrics					
EMI cards acquired on app - in the qtr ('000)	0	0	0	0	0
Personal loans disbursed on app - in the qtr (m)	49,210	47,980	50,860	54,260	52,040
Credit card acquisition on app - in the qtr ('000)	-	-	-	-	-
Flexi-loan transactions on app - in the qtr ('000)	3	3	3	3	3
DMS receipts on app - in the qtr ('000)	2	3	3	3	3
Marketplace metrics					
Bajaj Mall visits - in the qtr (m)	59	41	37	30	33
Bajaj Mall loans - in the qtr ('000)	1	1	2	1	2
Insurance Bazaar policies - in the qtr ('000)	0	0	0	0	0
Investments Bazaar MF A/C - in the qtr ('000)	-	-	-	-	-
Digital EMI card metrics					
EMI cards acquired digitally - in the qtr ('000)	1	1	1	1	1
EMI cards acquired digitally - CIF (m)	7	8	9	10	11
B2B loans from digital EMI cards - in the qtr ('000)	0	0	1	1	1

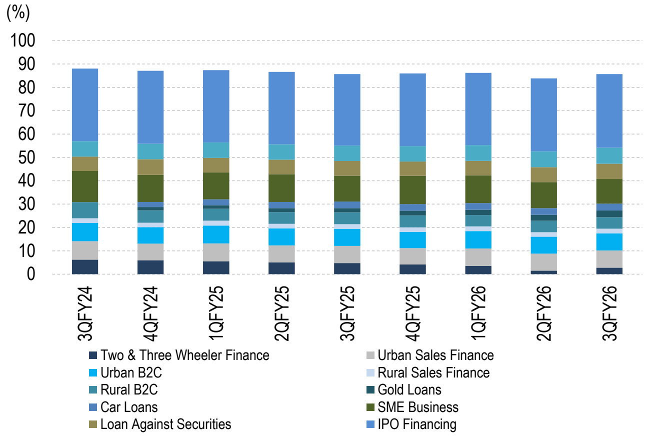
Source: Company, Anand Rathi Research

Fig 11 – AUM and Y/Y Growth



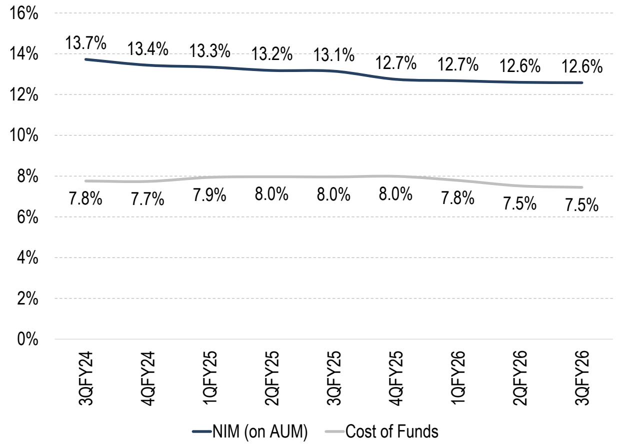
Source: Company, Anand Rathi Research

Fig 12 – AUM Break-up



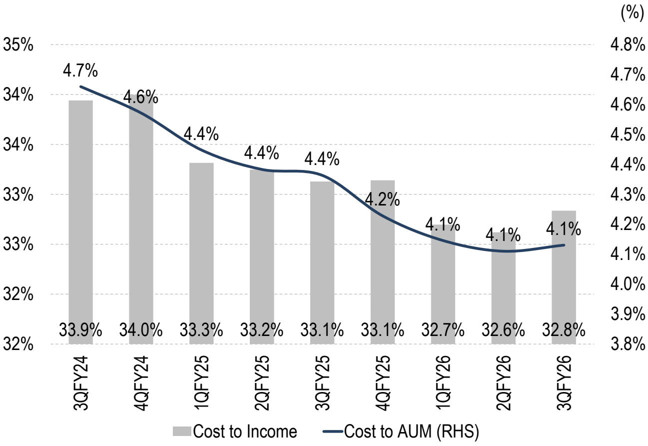
Source: Company, Anand Rathi Research

Fig 13 – NIM vs. CoF



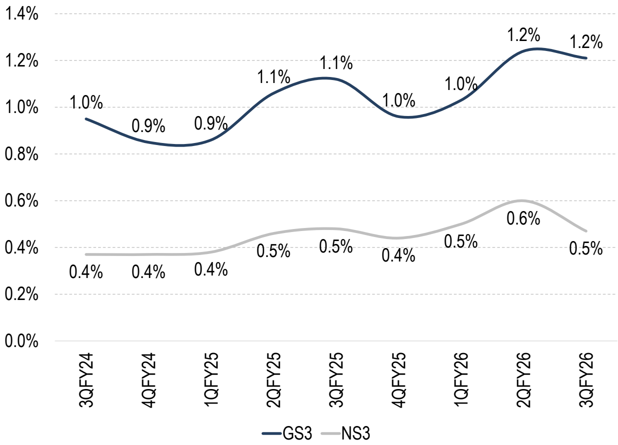
Source: Company, Anand Rathi Research

Fig 14 – C/I and Cost-to-Assets



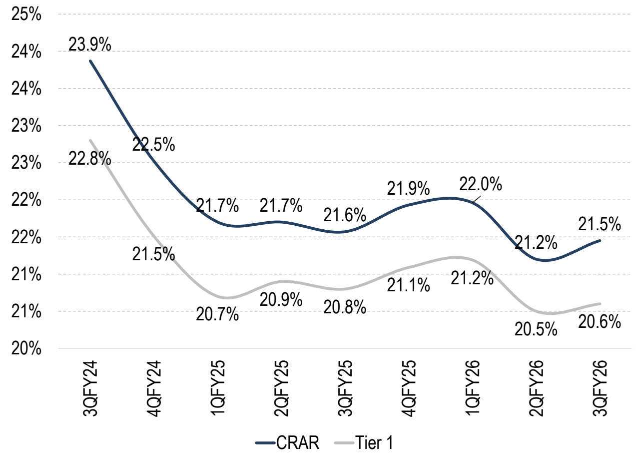
Source: Company, Anand Rathi Research

Fig 15 – GS3 and NS3 Movement



Source: Company, Anand Rathi Research

Fig 16 – CRAR and Tier-I



Source: Company, Anand Rathi Research

Earning Concall – Key Highlights

AI and Tech Update

- The management highlighted that the company's ongoing data, product, and customer engagement transformation is increasingly being powered by AI-led capabilities with use cases now extending across the entire customer lifecycle from onboarding and servicing to collections and engagement. This shift marks a fundamental evolution in how the franchise sources, underwrites, and manages customers at scale.
- A key illustration of this progress is the deployment of AI-driven voice analytics, wherein the system now processes ~20m customer calls, converting speech into structured text and actionable insights.
- This enables real-time monitoring of customer behaviour, sharper intent detection, improved compliance oversight, and targeted interventions, thereby strengthening both service quality and risk management.
- The company has already rolled out 11 live AI-powered text bots, which are actively handling servicing, engagement and resolution workflows.
- These bots are designed to enhance responsiveness, reduce TAT and lower operating cost, while maintaining consistency of customer experience.
- Looking ahead, the AI roadmap remains ambitious, with ~26 products expected to go live by Apr-May, materially expanding automation and intelligence layers across business lines.
- The management believes that deeper AI integration will lower acquisition and servicing cost, improve credit decisioning, enhance productivity and structurally reduce credit cost, creating a sustainable competitive moat.

Provisioning and Credit Cost Framework

- The management articulated a decisive and forward-looking shift in its provisioning philosophy, anchored in strengthening the BS against potential macro and credit volatility.
- The company is targeting ~80% provisioning coverage across products, with the intent to recalibrate LGD assumptions to ~80% for both Stage 1 and Stage 2 assets, applied uniformly on a portfolio-wide basis rather than selectively.
- This represents a permanent structural enhancement to provisioning standards rather than a temporary overlay. While an ad-hoc or discretionary buffer could have been adopted, the management consciously chose a holistic and enduring approach to embed conservatism directly into the base framework.
- Incremental provisioning impact will be phased through the year, avoiding any abrupt earnings dislocation while steadily strengthening coverage ratios.
- Importantly, this revised methodology has been fully proposed by the management and approved by the board, reinforcing the company's commitment to institutional discipline and long-term resilience.
- New provisioning construct is expected to remain in place for the next 2-3 years, underscoring its structural, not cyclical in nature.

- Despite early signs of macro stabilisation, the management highlighted that credit quality trends have remained highly volatile in recent quarters, particularly across segments i.e., MFI and unsecured lending.
- Given this backdrop, the company prefers to err on the side of caution and build buffers proactively rather than reactively.
- Overarching objective is to make the P&L 'shock-proof', ensuring that earnings remain resilient even under stressed scenarios.
- The management emphasised the need for more-than-adequate coverage, especially amid global macro uncertainties and episodic disruptions in borrower behaviour.
- Although this shift could have been implemented earlier, the heightened volatility seen over the past two quarters prompted the decision to institutionalise stronger provisioning at this juncture.
- FY27 credit cost is expected to trend towards ~165-175bps, inclusive of the higher provisioning base. On a normalised run-rate basis, factoring in the permanent provisioning reset, credit cost is likely to settle in ~160-170bps range annually.
- This calibrated stance reflects the company's belief that credit is inherently cyclical, and therefore sustainable profitability must be built on conservative assumptions embedded into annualised numbers rather than short-term optimisation.

Unsecured MSME

- The management indicated that the unsecured MSME franchise is expected to deliver ~20% growth in Jul-Sept period, reflecting sustained demand traction and stable origination momentum.
- However, the company has consciously adopted a measured and risk-calibrated stance, prioritising portfolio quality over aggressive expansion. The management has undertaken targeted corrective actions to strengthen underwriting filters, tighten borrower selection, and enhance early warning frameworks to proactively safeguard asset quality.
- Encouragingly, initial portfolio performance indicators show the signs of stabilisation and revival, with early cohorts tracking better than prior vintages. While growth visibility remains healthy, the emphasis is clearly on sustainable scaling rather than rapid acceleration.
- The management reiterated its intent to maintain a tight credit policy and conservative underwriting standards, ensuring that incremental growth does not come at the expense of risk discipline.

BHFL Stake Sale

- In Q3FY26, the company reported a gain of ~Rs14bn arising from the partial stake sale in BHFL. The management adopted a conservative stance by deploying a meaningful portion of the proceeds towards incremental provisioning.
- This underscores the company's philosophy of prioritising BS durability over the near-term profitability. The gains have effectively been utilised to build additional buffers and enhance PCR, thereby strengthening the resilience of credit-books.
- The management highlighted that as and when such monetisation opportunities arise, the intent will remain consistent, redeploying capital to reinforce provisioning strength and risk absorption capacity.

Products and Market Share

- The management outlined a steady and well-diversified growth trajectory across key lending verticals, with expansion closely aligned to risk-adjusted returns.
- Gold loans continue to demonstrate healthy traction, broadly tracking industry-level growth trends. The B2B segment is expanding in the mid-teens, while the core retail book is witnessing growth in the ~20% range. Structurally, the management remains constructive on the segment, noting that gold loans naturally scale in tandem with rising gold prices.
- The company expects gradual normalisation in MFI portfolio performance, with credit trends stabilising after recent volatility. The focus remains on cautious rebuilding rather than accelerated growth, ensuring asset quality metrics recover sustainably.
- In Vehicle Finance, trends remain bifurcated.
- New car finance delivered strong ~26% growth, aided by healthy margin and favourable unit economics.
- Used car portfolio witnessed a decline, reflecting deliberate moderation in originations, as credit performance did not meet internal thresholds.
- The management emphasised that this was a conscious credit-led decision rather than demand weakness.
- The company has articulated a five-year aspiration to scale both the new and used car businesses towards ~Rs2m each, but strictly through calibrated, profitability-led expansion.
- The management underscored that the objective is not to chase volume, but to optimise RoA and RoE, with uniform leverage standards applied across businesses as a measure of capital prudence.
- The strategy reflects a disciplined framework where credit quality, profitability and return ratios take precedence over headline growth.

Urban B2C Business

- The management remains constructive on Urban B2C franchise, highlighting the significant untapped opportunity despite operating in an increasingly competitive landscape. Overall market share remains modest with the personal loan segment accounting for ~8% industry share, while the company currently holds only ~1% share. Notably, the franchise contributes ~36% to total loan volume.
- The growth thesis is firmly anchored in a customer-centric operating model, aided by deeper analytics and improving digital capabilities. The management identified cost of acquisition as the principal constraint, rather than demand or capital availability.
- Superior underwriting precision is expected to reduce acquisition costs and structurally lower credit cost, thereby improving unit economics and enabling scalable growth.
- The company emphasised that growth is not a constraint. Historically, the business has demonstrated the ability to scale, with market share peaking at ~9% pre-COVID and currently stabilising near 7% level.
- Even in this environment, the focus has remained unwavering on sustaining RoA and RoE.

- Volume will continue to be governed by internal hurdle rates for risk and profitability.
- The management indicated comfort with mid-to-high 20% growth, contingent on credit conditions, while reiterating that underwriting discipline will not be diluted to chase incremental volume.
- Rising consumer leverage at the systemic level is the only broad watchpoint. However, bureau data suggests that leverage has remained largely flat on y/y basis including over 9MFY26.
- There has been no adverse impact within the company's own portfolio, which continues to be aided by a robust ~80% PCR.
- The management's stance reflects a calibrated strategy, leveraging the sizeable opportunity in Urban B2C, while preserving profitability, capital efficiency and BS strength.

Gold Loans Outlook

- The management indicated that the gold loan franchise, currently operating through ~1,200 branches, will continue to pursue steady and sustainable distribution expansion in FY27.
- Physical network expansion remains an integral pillar of growth, particularly to deepen the reach in underpenetrated geographies.
- Expansion roadmap is not purely branch led. As the company's AI-driven transformation gains scale, customer journeys are expected to become increasingly digital and frictionless.
- Over the period, the branches will transition from being transaction-centric to higher productivity hubs focused on relationship management, cross-selling and portfolio quality.
- The management reiterated a constructive outlook on the segment but emphasised that scaling will remain disciplined and led by return.
- Any incremental distribution addition will be benchmarked against internal RoA and RoE thresholds. Consequently, growth could track in line with or moderately below historical rates, depending on risk–return dynamics.
- The management acknowledged that near-term momentum may appear volatile due to fluctuation in gold prices, which directly influences ticket sizes and portfolio growth. However, structurally, the business continues to benefit from organic demand tailwinds and collateral-backed risk comfort, supporting sustainable expansion over the medium term.
- Overall, the approach reflects a balanced strategy combining calibrated physical expansion with digital efficiencies, while maintaining strict profitability discipline.

Valuation

Bajaj Finance reported a healthy performance in Q3FY26, with 19% y/y growth in consolidated PPoP (in-line), led by a strong 22% y/y AUM growth and increased productivity. Adjusted for one-off of accelerated ECL provisioning, PAT would have been higher than estimates. With the best-in-class execution skill, strong AI platform combined with a sharp correction in the stock price, we upgrade our rating on the stock to BUY with a revised TP of Rs1,130, valuing it at 4.5x FY28e consolidated BV (vs. 4.5x Sep'27e BV previously) for 4% expected RoA and 20% RoE.

Fig 17 – Change in Estimates

Rs m	FY26e			FY27e		
	New	Old	Change (%)	New	Old	Change (%)
NII	5,30,725	5,39,727	(1.7)	6,56,100	6,70,893	(2.2)
PPoP	4,39,855	4,42,580	(0.6)	5,45,417	5,48,606	(0.6)
PAT	2,46,673	2,51,221	(1.8)	3,11,822	3,16,636	(1.5)

Source: Anand Rathi Research

Fig 18 – Key Assumptions

(%)	FY26e	FY27e	FY28e
Balance sheet assumptions			
AUM growth	23.0	24.0	24.0
Borrowings growth	24.0	23.0	23.0
Asset quality assumptions			
Credit cost	2.35	2.00	1.90
Provision coverage	54.5	57.3	59.4

Source: Company, Anand Rathi Research

Fig 19 – du Pont Analysis

(%)	FY24	FY25	FY26e	FY27e	FY28e
Operating income	16.5	16.0	15.9	15.8	15.7
Interest expense	5.8	5.9	5.8	5.8	5.7
Net interest income	**10.7**	**10.1**	**10.1**	**10.0**	**9.9**
Other income	0.4	0.6	0.6	0.5	0.5
Total income	**11.1**	**10.7**	**10.7**	**10.6**	**10.4**
Operating expenses	3.8	3.5	3.5	3.5	3.4
of which, salary	*2.0*	*1.8*	*1.7*	*1.6*	*1.6*
PPoP	**7.4**	**7.1**	**7.2**	**7.1**	**7.0**
Provisions	1.4	1.9	1.7	1.7	1.6
PBT	**5.9**	**5.2**	**5.4**	**5.4**	**5.4**
Tax	1.5	1.3	1.4	1.4	1.4
RoA	**4.4**	**4.0**	**4.0**	**4.0**	**4.0**
Equity multiplier (x)	5.0	4.8	4.8	5.0	5.2
RoE	**22.0**	**19.1**	**19.5**	**20.3**	**20.9**

Source: Company, Anand Rathi Research

Key Risks

- Key-man risk.
- Higher slippages.
- Lower-than-expected loan growth.

Appendix

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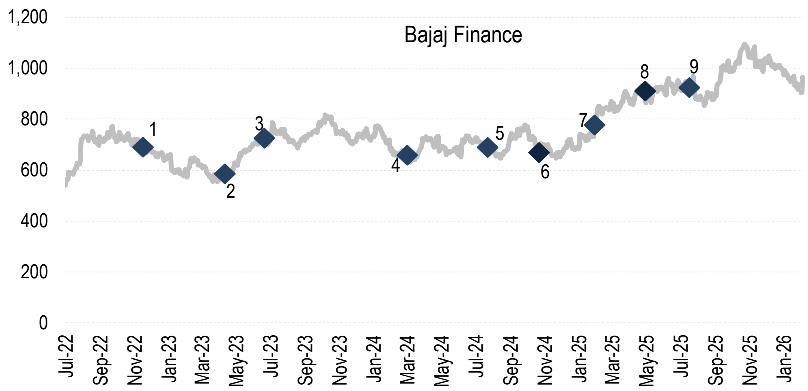

	Date	Rating	TP (Rs)	Share Price (Rs)
1	05-Dec-22	**Buy**	896	667
2	26-Apr-23	**Buy**	812	606
3	10-Jul-23	**Buy**	965	762
4	18-Mar-24	**Buy**	863	649
5	23-Jul-24	**Buy**	833	673
6	22-Oct-24	**Buy**	791	668
7	29-Jan-25	**Buy**	881	776
8	29-Apr-25	**Buy**	1,032	908
9	24-Jul-25	**Hold**	1,045	958

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Ratings Guide (12 months)	**Buy**	**Hold**	**Sell**
Large Caps (Top 100 companies)	>15%	0-15%	<0%
Mid Caps (101st-250th company)	>20%	0-20%	<0%
Small Caps (251st company onwards)	>25%	0-25%	<0%

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