BUY (Upgrade from ADD)

CMP: **INR 2,515** Target Price: **INR 3,070 (INR 3,500)** ▲ 22%

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03 November 2026

India | Equity Research | Results Update

Muthoot Finance

Gold Loan

Strong performance underlines business moat; better placed to handle operational challenges under new regulations

We have backed Muthoot Finance (Muthoot) to exhibit strong execution, which has been a constant feature of the company over the years. While FY26 was aided by high gold prices, a positive demand cycle, and overall favourable regulations, expectations for FY27 remain steadier, but execution so far has been superlative, with H1 AUM advancing INR 2.1trn, a growth of 15.1% from FY26 base. For FY27, guidance is for 25% AUM growth, with sustainable yield/NIM outlook of 18%-18.5% and 10.5%-11%, respectively. There are positives: Muthoot's strong execution history, potential of the gold loan market, well-managed LTV of the current mix, and continued branch expansion, against the concern of rising competition. We have seen Muthoot manage such cycles in the past.

Its large legacy customer base and its commendable RoA/RoE profiles remain the distinguishing factors for the company. High NPA (Stage 2/3 of 12.5%/3.9% as of H1FY27 vs 1.1%/2.3% in Q1FY27) remain driven by operational headwinds arising from regulatory changes in repayment norms. Such operational challenges put Muthoot on a relative better ground compared to peers.

Upgrade to BUY: TP revised to INR 3,070 (INR 3,500 earlier)

Our target price is based on 2.1x FY28E P/B (2.4x FY28E P/B) for Muthoot's standalone business, 1x FY28E P/B (1x FY27E earlier) for home finance, and 1x (unchanged) FY28E P/B for others. This translates to 1.6x FY28E P/B on a consolidated basis vs. its historical average of ~2x and a peak of 3.3x seen in FY22. The cut in multiple reflects higher competition, which we expect Muthoot to overcome with its well-diversified branch network and rich experience.

Downside risks include an increase in competitive intensity in gold, fall in gold prices, and weakness in asset quality in the non-gold segment. Upside risks include continued traction in gold loan growth and better traction in non-gold businesses.

Financial Summary

Y/E March (INR mn)	FY25A	FY26A	FY27E	FY28E
Net Interest Income (NII)	1,22,506	1,93,713	2,15,580	2,42,057
PAT (Rs mn)	53,524	1,06,069	1,09,057	1,25,178
EPS (Rs)	133.3	264.2	271.6	311.8
% Chg YoY	19.8	98.2	2.8	14.8
P/E (x)	18.9	9.5	9.3	8.1
P/BV (x)	3.4	2.5	2.1	1.7
Dividend Yield (%)	1.0	1.2	2.0	2.3
RoA (%)	4.7	6.5	5.0	4.9
RoE (%)	19.7	31.0	25.1	23.6

Ansuman Deb
ansuman.deb@icicisecurities.com
+91 22 6807 7312

Shubham Prajapati
shubham.prajapati@icicisecurities.com

Rishav Bajaj
rishav.bajaj@icicisecurities.com

Shubh Walia
shubh.walia@icicisecurities.com

Market Data

Market Cap (INR)	1,010bn
Market Cap (USD)	10,636mn
Bloomberg Code	MUTH IN
Reuters Code	MUTT.BO
52-week Range (INR)	4,150 /2,303
Free Float (%)	27.0
ADTV-3M (mn) (USD)	28.6

Price Performance (%)	3m	6m	12m
Absolute	(19.4)	(26.6)	(20.9)
Relative to Sensex	(16.3)	(25.0)	(11.1)

ESG Score	2025	2026	Change
ESG score	70.4	67.6	(2.8)
Environment	58.4	46.5	(11.9)
Social	75.6	74.5	(1.1)
Governance	70.4	69.5	(0.9)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

03-08-2026: Q1FY27 results review

19-05-2026: Q4FY26 results review

Factoring in PAT growth of 3%/15% with RoE of ~25%/24% for FY27E/FY28E vs. average 24% in FY20–26

We factor in ~18% gold AUM CAGR for FY26–28E, with calculated yields of ~18%/17.5% in FY27E/FY28E vs. 18.3%/19.9%/17.9%/19.4% in FY25/26/Q1/Q2FY27. Our NIM/opex/credit cost to AUM estimates are 10.4%/2.4%//0.9% for FY27 and 9.9%/2.4%/0.5% for FY28, which leads to a standalone RoE of 24.3%/23% in FY27E/FY28E (vs. RoE of 19.7%/30.6%/26.6%/29.4% in FY25/26/Q1/Q2FY27). For Belstar, we factor in a 9.5% AUM CAGR over FY26–28E and RoE of 12%/13.8% in FY27E/FY28E (vs. RoE of 2.7%/1.4% in FY25/FY26

These projections result in a consolidated AUM CAGR of ~17.3% over FY26–28E and interest income/PPOP/PAT CAGRs of 17.2%/9.5%/8.6% over FY26–28E (vs. CAGRs of 21.7%/22.9%/22.3% over FY20–26). Consolidated RoAA/RoAE stand at 5%/25.1% for FY27E and 4.9%/23.6% for FY28E (vs. ~6.5%/31% in FY26).

AUM growth remains strong; current LTV comfortable at ~66%

Consolidated AUM grew 9.3%/41.7% QoQ/YoY in Q2FY27 to INR 2,093bn (average ~9% QoQ growth reported in the past eight quarters). Gold loan AUM reported growth of 9.6%/43.3% QoQ/YoY to INR 1,790bn (vs. average gold loan growth of ~10% in the last eight quarters).

Average ticket size of gold loans breached INR 100k mark in Q4FY25 and stood at INR 155.6k in Q2FY27 (vs. INR 117.2k/INR 149.6k in Q2FY26/Q1FY27). Average LTV increased to 64.8% in Q2FY27 vs. 64% in Q1FY27 and 56.6% in Q2FY26 but remains lower vs. the regulatory limit of 75%. Lower gold price resulted in higher tonnage, with gold holdings increasing 3.6% QoQ to 204te in Q2FY27.

Consolidated yields increased 133bps QoQ, but declined 48bps YoY to 19.7% in Q2FY27. Borrowing cost decreased 13bps QoQ, while it remained stable YoY at 8.7% in Q2FY27. Consolidated credit cost increased to INR 5.93bn (1.2% of average AUM) in Q2FY27 vs. INR 1.2bn (0.3% of average AUM) in Q1FY27. Consolidated PPoP reported growth of 27.4%/41% QoQ/YoY in Q2FY27. Consolidated Q2FY27 PAT increased 16%/35.9% YoY to INR 32.8bn, registering RoA/RoE of 6%/30.5% in Q2FY27 vs. 5.6%/27.9% in Q1FY27 and 6.2%/30% in Q2FY26.

Yields improved QoQ due to regulatory changes; to return to 18.5% levels in Q3

The standalone yield (calculated) increased 148bps QoQ, but fell 58bps YoY, to 19.4% in Q2FY27 (vs. 17.9% in Q1FY27). Management stated that the improvement in yields was due to a change in the interest-rate buckets applicable to customers. Before the implementation of the regulatory changes effective April 1, 2026, customers took advantage of rollovers and top-ups, which resulted in a higher proportion of the portfolio being placed in lower-interest-rate schemes. Consequently, Q1FY27 yields were relatively lower. During Q2FY27, these loans gradually migrated into higher interest-rate buckets under their respective schemes.

AUM growth guidance increased to 25%

Management remains optimistic about the gold loan growth outlook and guided for ~25% AUM growth in FY27 (implied growth of 8% in H2FY27). Despite the entry of well-capitalised competitors, management views the development more as an expansion of the addressable market rather than simply a battle for market share. On profitability, management reiterated its expectation of maintaining sustainable gold loan yields of 18–18.5% and NIMs of 10.5–11%, although borrowing costs are expected to increase in the coming quarters.

Non-gold business recovery visible

During Q2FY27, non-gold AUM reported strong growth of 40% YoY. The overall share of PAT increased to 9% of consolidated PAT (vs. 3% in Q2FY26).

Belstar (microfinance subsidiary): AUM grew 0.4%/2.1% QoQ/YoY to INR 78.8bn in Q2FY27. Belstar's revenue grew 0.3%/6.5% on a QoQ/YoY basis to INR 4.54bn in Q2FY27 vs. INR 4.52bn in Q1FY27. It reported a positive PAT of INR 0.78bn in Q2FY27 vs INR 0.66bn in Q1FY27. The company's GS-3 (as a percentage of AUM) stood at 3% in Q2FY27 vs. 2.6% in Q1FY27 and 4.3% in Q2FY26. Collection efficiency was 99.61%. Belstar is also expanding its presence in gold lending. During H1FY27, the company added 82 gold loan branches, taking its gold loan branch network to 163, with a gold loan portfolio of INR 4.8bn.

Muthoot Homefin (housing finance subsidiary)

AUM increased 6.6% YoY, but declined 1% QoQ, to INR 34.6bn in Q2FY27. Revenue declined 0.7%/8.7% QoQ/YoY to INR 1,087mn in Q2FY27 due to yield decline of 8bps/21bps QoQ/YoY to 13.3% in Q2FY27. Cost of funds decreased 2bps/29bps QoQ/YoY to 8.5%, resulting in a 7bps NIM decline QoQ, but a 14bps YoY improvement. Muthoot Home's PAT increased 69% QoQ to INR 71mn due to lower expenses.

Muthoot Money (erstwhile vehicle finance subsidiary) – transforming into a gold loan company

Muthoot Money extended loans against vehicle finance as well as gold and it operates 1,011 branches. AUM grew 21% QoQ to INR 127bn in Q2FY27. It reported revenue of INR 5.9bn (up 16% QoQ), with PAT of INR 1.9mn (up 11% QoQ) in Q2FY27. Its capital adequacy ratio decreased to 21% vs. 23% in Q1FY27.

The board approved the merger of Muthoot Money into Muthoot Finance Limited, with an appointed date of April 1, 2027, subject to regulatory and statutory approvals. Management expects the merger to simplify the corporate structure, eliminate operational overlaps, and unlock funding and operational synergies

On branch expansion

Muthoot Finance has accelerated its branch expansion following the relaxation of regulatory restrictions on branch openings. During H1FY27, the group added 336 branches, including 262 standalone Muthoot Finance branches, taking the consolidated network to 7,904 branches across India. For FY27, management indicated that Muthoot Finance may open 500–600 branches at the group level and ~200–250 branches at a standalone level. Management intends to continue opening branches across India wherever demand exists.

Customer count and tonnage grew QoQ

Management stated that tonnage saw a slight increase due to lower gold prices. In Q2FY27, tonnage has increased from 197 tonnes to 204 tonnes. Management stated that they disbursed INR 202bn to over 994k new customers in H1FY27. Active customer base expanded to 6.86mn, a growth of 4.4%/4.3% YoY/QoQ.

Sharp increase in Stage 2/3 driven by changes in repayment and borrower classification norm

Historically, gold loan customers preferred bullet payments, but after the Apr'26 regulatory changes, there was a requirement of monthly servicing of loans. This has led to an increase in Stage 2/3 loans. Stage 2 loans increased to INR 235bn in Q2FY27 (vs. INR 18.8bn in Q1FY27), while Stage 3 loans increased to INR 72.7bn in Q2FY27 (vs. INR 39.3bn in Q1FY27). Management stated that this largely reflects a transition in customer repayment behaviour rather than underlying financial stress, and expects delinquencies to normalise as customers become accustomed to the new repayment requirements.

Additionally, management highlighted that borrower-wise asset classification has amplified the increase in reported Stage 2/3 classification. Of the total Stage 3 portfolio of INR 72bn, INR 38bn represents accounts actually classified as Stage 3 (similar to INR 38bn/INR 39bn in Q4FY26/Q1FY27), while the remaining INR 32bn comprises other Stage 1/2 accounts of the same borrowers classified as Stage 3 under borrower-wise classification norms. Similarly, of INR 234bn of Stage 2 loans, ~INR 100bn represents other accounts of borrowers that are themselves in Stage 1/2. Management remains comfortable with the underlying credit risk given the strong collateral coverage across the portfolio.

The average portfolio LTV remains ~65%, while the LTV on Stage 2/3 loans stands at 72%/53%, respectively, based on principal outstanding. Management reiterated that historically, approximately 98% of customers repay their gold loans, with auctions being pursued only as a last resort.

Exhibit 1: Standalone result review

INR mn	Q2FY27	Q2FY26	Change YoY %	Q1FY27	Change QoQ %
Net interest Income	53,648	36,917	45.3%	43,601	23.0%
Add: Other Income	1,123	4,565	-75.4%	971	15.6%
Total Net income	54,771	41,482	32.0%	44,572	22.9%
Less: Operating expenses	9,696	8,827	9.9%	9,832	-1.4%
-Employee benefit expense	5,513	5,210	5.8%	5,250	5.0%
-Depreciation & amortization	257	257	0.2%	197	30.4%
-OTHER Expense	3,926	3,360	16.8%	4,384	-10.5%
Pre-provisioning profit	45,074	32,655	38.0%	34,740	29.7%
Less: Provisions & write-offs	5,149	1,141	351.4%	510	909.1%
-Standard assets and NPA	5,149	1,141	351.4%	510	909.1%
-Write offs	-	-	-	-	-
PBT	39,925	31,514	26.7%	34,230	16.6%
Less: Taxes	10,159	8,063	26.0%	8,725	16.4%
PAT	29,766	23,452	26.9%	25,505	16.7%
Balance sheet key items (INR mn)					
AUM	18,78,103	13,23,049	42.0%	17,20,534	9.2%
Loan assets on balance sheet	18,99,657	13,13,696	44.6%	17,25,126	10.1%
Networth	4,20,154	3,18,434	31.9%	3,89,728	7.8%
Borrowings	16,37,792	11,19,447	46.3%	14,90,736	9.9%
Asset Quality					
Gross stage 3 (INR mn)	72,679	29,774	144.1%	39,265	85.1%
Gross stage 3	3.87%	2.25%	162 bps	2.28%	159 bps
ECL Provisions on gross assets (INR mn)	21,776	15,986	36.2%	17,649	23.4%
ECL Provisions on gross assets	1.16%	1.21%	-5 bps	1.03%	13 bps
Credit cost	0.01	0.00	78 bps	0.00	102 bps
Key ratios (annualised)					
Yield on AUM	19.41%	20.0%	-58 bps	17.9%	148 bps
Cost of funds	8.6%	8.6%	0 bps	8.7%	-15 bps
NIMs on AUM	11.9%	12.7%	-73 bps	10.4%	152 bps
Other income on AUM	0.2%	1.4%	-120 bps	0.2%	1 bps
Cost to income	17.7%	21.3%	-358 bps	22.1%	-436 bps
Opex to AUM	2.2%	2.8%	-65 bps	2.3%	-20 bps
RoA	5.9%	6.6%	-71 bps	5.5%	42 bps
RoE	29.4%	30.6%	-121 bps	26.6%	280 bps
Debt to Equity (times)	3.9	3.5		3.8	
Tier 1	19.0%	20.2%	-111 bps	19.4%	-36 bps
CAR	19.8%	20.9%	-108 bps	20.3%	-50 bps

Source: I-Sec research, Company data

Exhibit 2: Standalone dupont

Dupont (bps)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Interest Income	16.5	16.9	16.7	16.7	16.4	16.9	16.5	18.5	16.1	17.3
Interest Expense	6.1	6.4	6.3	6.6	6.6	6.5	6.8	6.6	6.8	6.7
Net Interest Income	10.4	10.4	10.4	10.1	9.8	10.4	9.8	11.8	9.4	10.7
Other Income	0.2	0.2	0.2	0.4	1.4	1.3	2.0	0.5	0.2	0.2
Total Net Income	10.6	10.7	10.7	10.5	11.2	11.7	11.8	12.3	9.6	10.9
Operating Expenses	2.9	2.7	2.8	3.0	2.5	2.5	2.4	2.1	2.1	1.9
Pre Provision Operating Profit	7.7	7.9	7.9	7.5	8.7	9.2	9.4	10.2	7.5	8.9
Provisions	1.0	0.9	0.8	0.4	0.1	0.3	0.3	0.6	0.1	1.0
PBT	6.7	7.1	7.1	7.0	8.5	8.9	9.2	9.7	7.4	7.9
Tax	1.9	1.9	1.9	1.8	2.2	2.3	2.4	2.5	1.9	2.0
Reported PAT	4.9	5.2	5.2	5.3	6.4	6.6	6.8	7.1	5.5	5.9
Leverage (avg. assets/avg. equity)	3.6	3.9	4.0	4.1	4.4	4.6	4.7	4.8	4.9	5.0
RoE	17.7	20.0	20.7	21.8	28.3	30.6	32.0	34.2	26.6	29.4

Source: I-Sec research, Company data

Exhibit 3: Consolidated result review

INR mn	Q2FY27	Q2FY26	Change YoY %	Q1FY27	Change QoQ %
Net interest Income	61,392	45,201	35.8%	50,986	20.4%
Add: Other Income	1,550	2,413	-35.8%	1,378	12.5%
Total Net income	62,942	47,614	32.2%	52,364	20.2%
Less: Operating expenses	13,018	12,218	6.6%	13,180	-1.2%
-*Employee benefit expense*	7,609	7,269	4.7%	7,383	3.0%
-*Depreciation & amortization*	382	376	1.6%	314	21.7%
-*OTHER Expense*	5,027	4,573	9.9%	5,482	-8.3%
Pre-provisioning profit	49,924	35,396	41.0%	39,185	27.4%
Less: Provisions & write-offs	5,933	2,954	100.9%	1,213	389.0%
PBT	43,990	32,442	35.6%	37,971	15.9%
Less: Taxes	11,210	8,325	34.7%	9,723	15.3%
PAT	32,780	24,117	35.9%	28,248	16.0%
Balance sheet key items (INR mn)					
AUM	20,93,173	14,76,734	41.7%	19,15,318	9.3%
Loan assets on balance sheet	21,04,802	14,54,981	44.7%	19,07,027	10.4%
Networth	4,39,264	3,28,187	33.8%	4,06,017	8.2%
Borrowings	18,01,623	12,33,111	46.1%	16,32,506	10.4%
Asset Quality					
Gross stage 3 (Muthoot Homefin)	2.2%	1.4%	72 bps	2.2%	-1 bps
Net stage 3 (Muthoot Homefin)	1.5%	0.8%	72 bps	1.5%	6 bps
Gross stage 3 (Belstar)	3.0%	4.3%	-135 bps	2.6%	43 bps
Net stage 3 (Belstar)	0.1%	0.3%	-19 bps	0.1%	0 bps
Gross stage 3 (Muthoot Money)	1.1%	0.8%	36 bps	0.7%	47 bps
Net stage 3 (Muthoot Money)	1.0%	0.6%	35 bps	0.5%	43 bps
Credit cost	1.2%	0.8%	34 bps	0.3%	92 bps
Key ratios (annualised)					
Yield on AUM	19.7%	20.1%	-48 bps	18.3%	133 bps
Cost of funds	8.7%	8.7%	-1 bps	8.8%	-13 bps
NIMs on AUM	12.3%	12.8%	-59 bps	10.9%	133 bps
Other income on AUM	0.3%	0.7%	-38 bps	0.3%	1 bps
Cost to income	20.7%	25.7%	-498 bps	25.2%	-449 bps
Opex to AUM	2.6%	3.5%	-88 bps	2.8%	-23 bps
RoA	6.0%	6.2%	-27 bps	5.6%	38 bps
RoE	30.5%	30.0%	54 bps	27.9%	264 bps

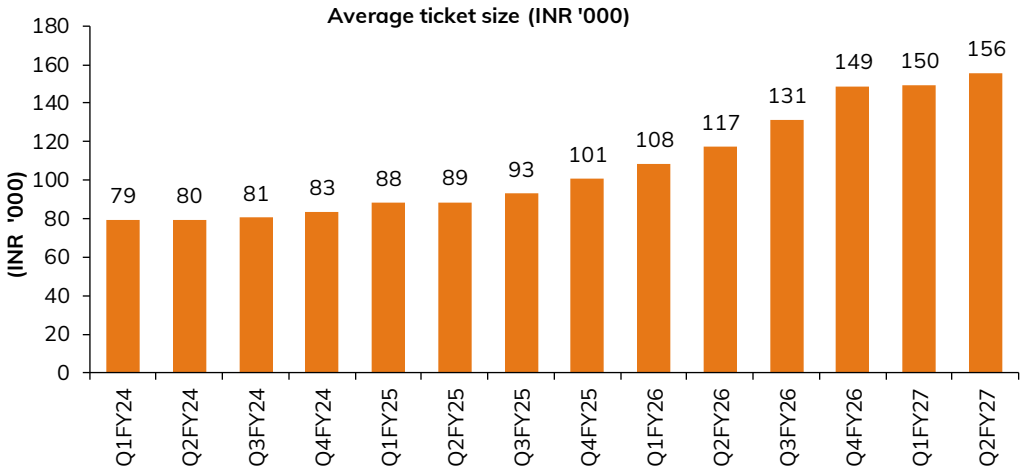
Source: I-Sec research, Company data

Exhibit 4: Consolidated result review

Dupont	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Interest Income	17.3	17.6	17.4	17.3	17.9	18.3	18.7	19.2	16.9	17.9
Interest Expense	6.3	6.7	6.5	6.7	6.7	6.6	6.8	6.7	6.8	6.8
Net Interest Income	11.0	11.0	10.9	10.6	11.2	11.7	11.9	12.5	10.1	11.2
Other Income	0.6	0.6	0.5	0.6	0.6	0.6	0.5	0.6	0.3	0.3
Total Net Income	11.5	11.6	11.4	11.2	11.7	12.3	12.4	13.1	10.3	11.5
Operating Expenses	3.5	3.4	3.5	3.8	3.3	3.2	3.0	2.7	2.6	2.4
Pre Provision Operating Profit	8.0	8.2	8.0	7.4	8.5	9.2	9.4	10.3	7.7	9.1
Provisions	1.5	1.5	1.5	1.3	0.9	0.8	0.4	0.6	0.2	1.1
PBT	6.6	6.6	6.5	6.1	7.5	8.4	9.0	9.8	7.5	8.0
Tax	1.8	1.8	1.7	1.5	1.9	2.2	2.3	2.5	1.9	2.0
Reported PAT	4.8	4.9	4.8	4.6	5.6	6.2	6.6	7.2	5.6	6.0
Leverage (avg. assets/avg. equity)	4.0	4.2	4.3	4.4	4.7	4.9	5.0	5.0	5.1	5.2
RoE	19.0	20.4	20.4	20.1	26.4	30.5	33.0	36.4	28.3	31.0

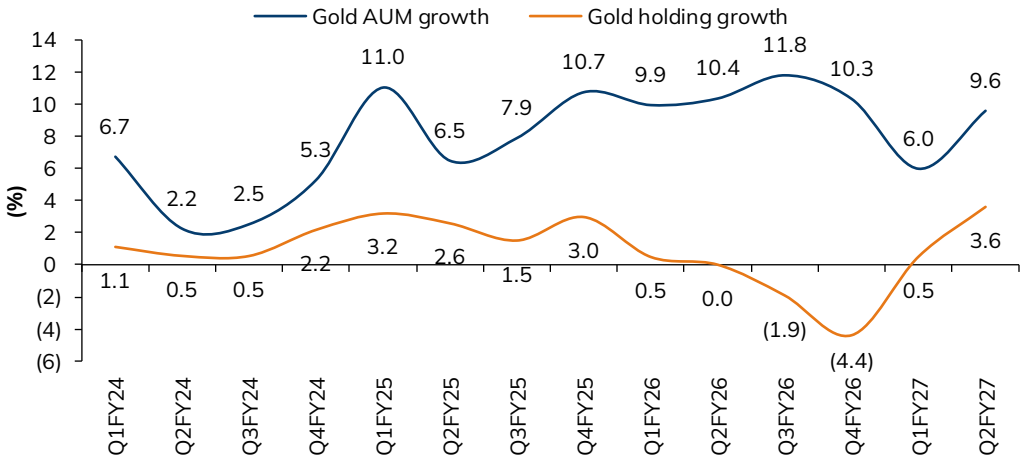
Source: I-Sec research, Company data

Exhibit 5: Average ticket-size of gold loans increased to INR 156k in Q2FY27



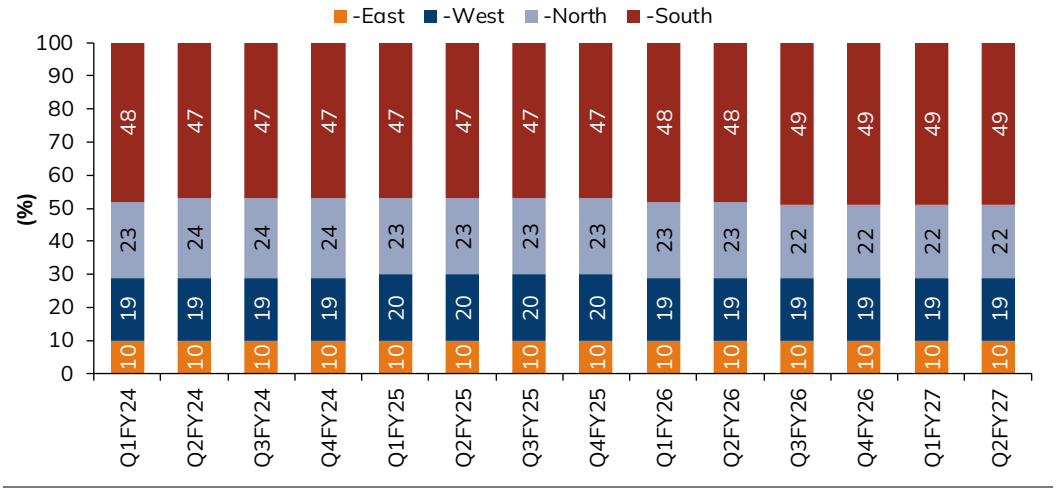
Source: I-Sec research, Company data

Exhibit 6: AUM growth QoQ remains strong in Q2FY27



Source: I-Sec research, Company data

Exhibit 7: South continues to dominate gold AUM due to high presence and demand



Source: I-Sec research, Company data

Exhibit 8: LTV movement from buyer and lender's perspective

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Mkt Price of Gold holding (Borrowers' Perspective) with 20% additional making charges (INR bn)	1,532	1,645	1,691	2,038	2,203	2,650	3,001	3,161	3,060	3,316
LTV calculation through Mkt price from Borrower's perspective	52.8%	52.4%	55.0%	50.5%	51.4%	47.1%	46.5%	48.7%	53.4%	54.0%
Equity of Borrower in the Gold Ornaments net of loans availed	47.2%	47.6%	45.0%	49.5%	48.6%	52.9%	53.5%	51.3%	46.6%	46.0%
Mkt Price of Gold holding (lenders' Perspective) (INR bn)	1,277	1,371	1,409	1,699	1,836	2,208	2,501	2,634	2,550	2,763
LTV calculation through Mkt price from Lenders' perspective	63.4%	62.8%	66.0%	60.6%	61.7%	56.6%	55.8%	58.5%	64.0%	64.8%
Margin of safety on loans for lender	36.6%	37.2%	34.0%	39.4%	38.3%	43.4%	44.2%	41.5%	36.0%	35.2%

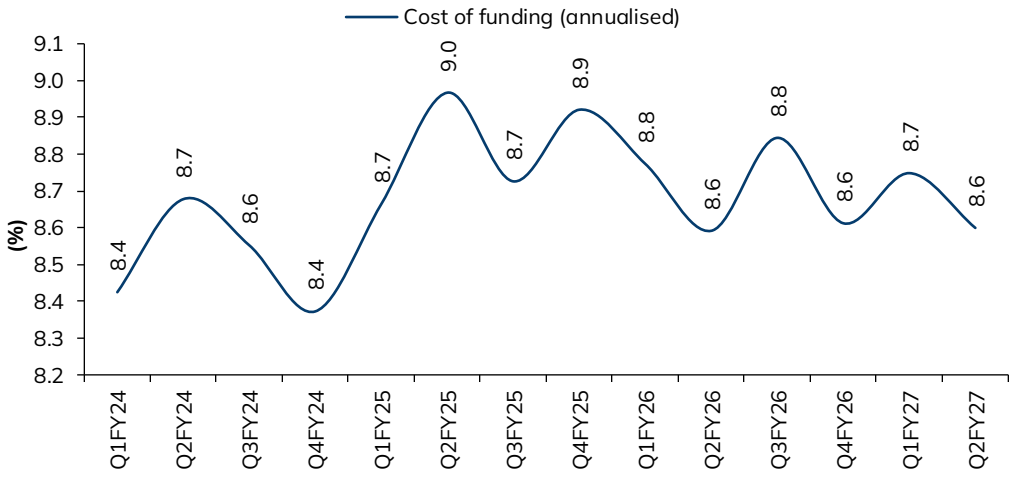
Source: I-Sec research, Company data

Exhibit 9: Breakup of fresh gold loans during the quarter

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Outstanding loan amount (INR mn)										
Fresh loans to inactive customers	46,238	41,456	46,235	57,599	57,559	63,204	69,040	64,812	73,518	92,932
Fresh loans to new customers	51,589	45,517	45,046	52,391	51,218	56,020	61,073	80,348	82,676	1,05,863
Fresh loans with new collateral to existing customers	67,258	65,013	67,223	66,883	83,115	80,983	1,08,726	1,22,337	1,22,395	1,39,867
Old book	6,44,134	7,09,650	7,71,132	8,52,686	9,40,049	10,48,968	11,57,740	12,73,346	13,54,396	14,50,900
Fresh loans as a % age of total gold AUM										
Fresh loans to inactive customers	5.7%	4.8%	5.0%	5.6%	5.1%	5.1%	4.9%	4.2%	4.5%	5.2%
Fresh loans to new customers	6.4%	5.3%	4.8%	5.1%	4.5%	4.5%	4.4%	5.2%	5.1%	5.9%
Fresh loans with new collateral to existing customers	8.3%	7.5%	7.2%	6.5%	7.3%	6.5%	7.8%	7.9%	7.5%	7.8%
Old book	79.6%	82.4%	82.9%	82.8%	83.0%	84.0%	82.9%	82.6%	82.9%	81.1%
Customers (mn)										
Fresh loans to inactive customers	0.46	0.44	0.37	0.40	0.41	0.41	0.39	0.40	0.46	0.48
Fresh loans to new customers	0.46	0.43	0.42	0.42	0.42	0.42	0.40	0.43	0.45	0.48
Fresh loans with new collateral to existing customers	0.73	0.74	0.69	0.65	0.72	0.65	0.72	0.75	0.88	0.84
Old book	4.26	4.52	4.77	4.90	4.91	5.08	5.02	4.83	4.78	5.06
Fresh loans to Customers as % age of total active customers										
Fresh loans to inactive customers	7.8%	7.2%	6.0%	6.2%	6.3%	6.3%	6.0%	6.2%	7.0%	7.0%
Fresh loans to new customers	7.7%	7.1%	6.7%	6.6%	6.6%	6.4%	6.1%	6.7%	6.9%	7.0%
Fresh loans with new collateral to existing customers	12.3%	12.0%	11.0%	10.2%	11.2%	10.0%	11.0%	11.7%	13.4%	12.2%
Old book	72.1%	73.7%	76.3%	77.0%	75.9%	77.4%	76.9%	75.4%	72.7%	73.8%
Approx. avg. ticket size (INR) (Loans/customers)										
Fresh loans to inactive customers	99,782	93,509	1,24,099	1,45,031	1,40,284	1,53,640	1,76,694	1,61,892	1,59,561	1,93,851
Fresh loans to new customers	1,12,862	1,04,867	1,07,973	1,25,396	1,20,732	1,33,114	1,53,014	1,88,264	1,82,382	2,19,130
Fresh loans with new collateral to existing customers	92,177	88,092	97,485	1,02,572	1,15,059	1,23,655	1,51,746	1,63,296	1,39,326	1,66,875
Old book	1,51,201	1,56,877	1,61,721	1,73,843	1,91,599	2,06,373	2,30,459	2,63,431	2,83,067	2,86,777

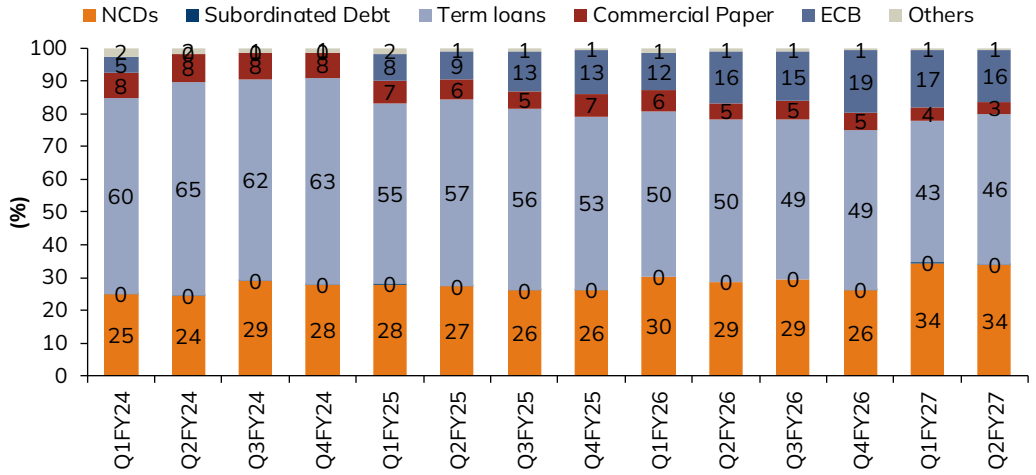
Source: I-Sec research, Company data

Exhibit 10: Funding cost increased QoQ for standalone business



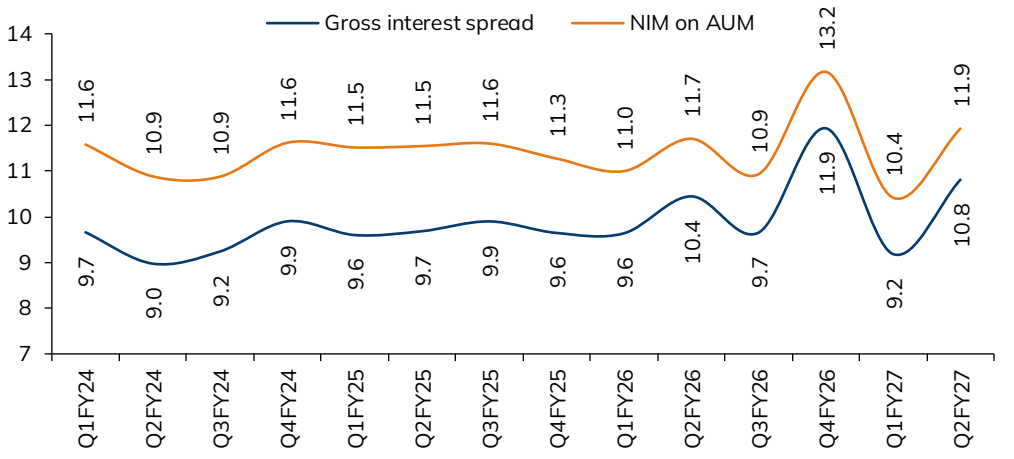
Source: I-Sec research, Company data

Exhibit 11: Borrowing mix on a standalone basis



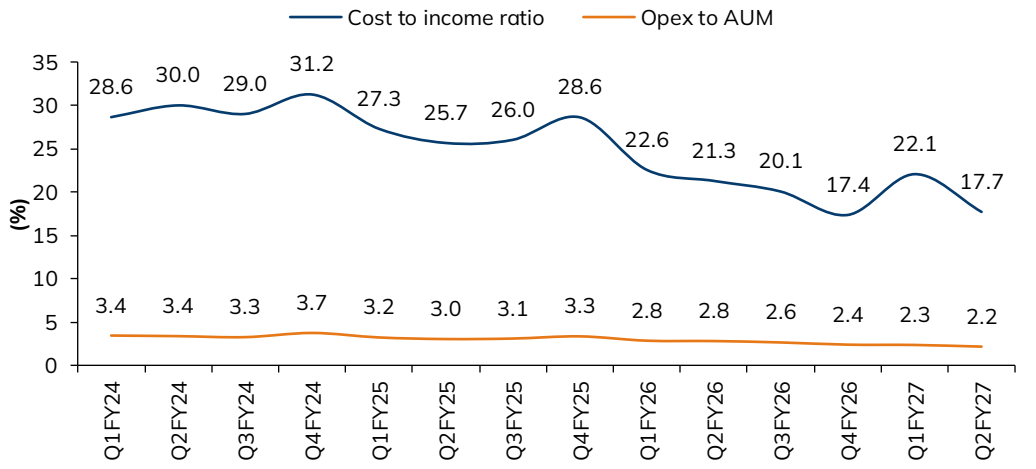
Source: I-Sec research, Company data

Exhibit 12: Gross interest spread and NIM mirrored trend in yield and cost of funding (calculated based on avg. AUM) for standalone



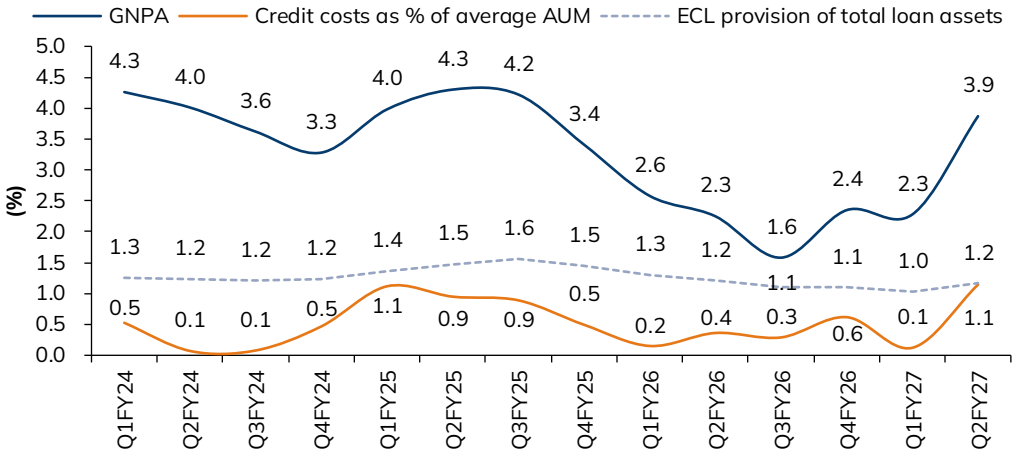
Source: I-Sec research, Company data

Exhibit 13: Opex QoQ trend



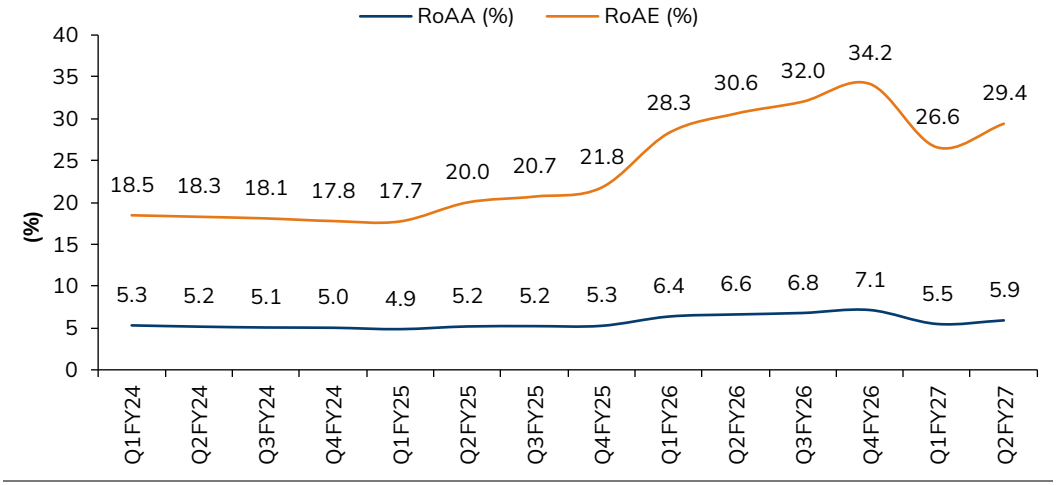
Source: I-Sec research, Company data

Exhibit 14: Credit cost increased (overall AUM increased) while GNPA decreased



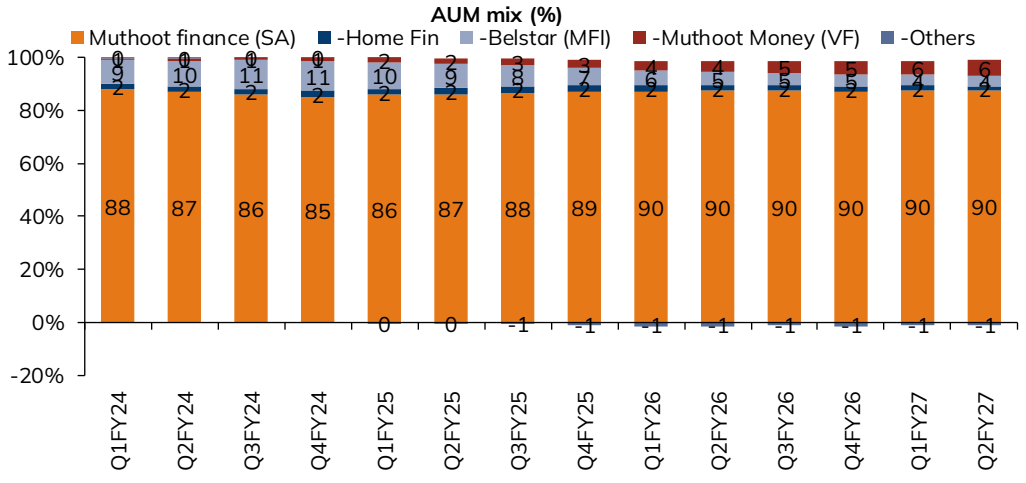
Source: I-Sec research, Company data

Exhibit 15: RoA and RoE decreased QoQ



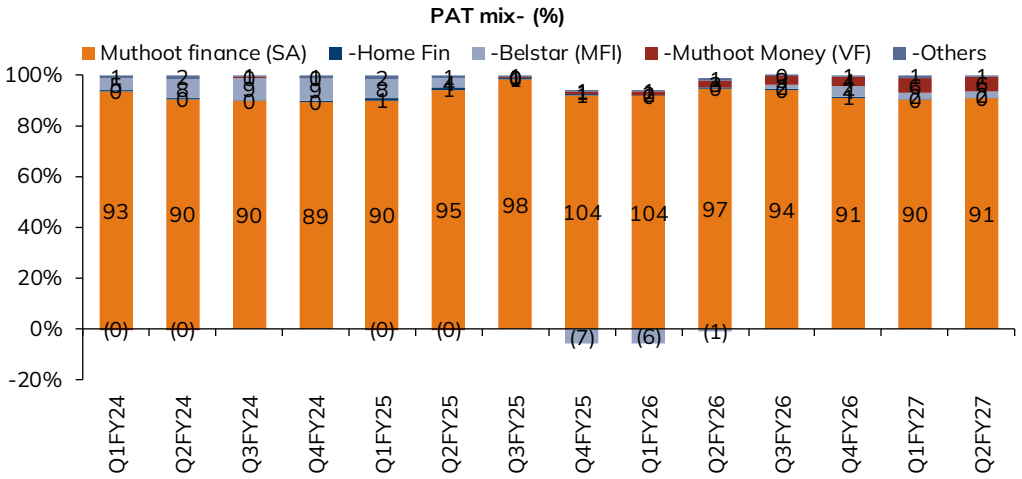
Source: I-Sec research, Company data

Exhibit 16: Belstar AUM's share decreased, led by higher growth in gold business



Source: I-Sec research, Company data

Exhibit 17: Belstar's share of PAT decreased in the mix



Source: I-Sec research, Company data

Exhibit 18: Key highlights for Belstar

Belstar (INR mn)	Q2FY27	Q2FY26	% Chg YoY	Q1FY27	% Chg QoQ
Branches	1,362	1,287	5.8%	1,331	2.3%
Employees	10,417	12,169	-14.4%	10,819	-3.7%
Revenue	4,536	4,261	6.5%	4,522	0.3%
Expenses	3,537	4,689	-24.6%	3,601	-1.8%
PBT	999	-428	-333.4%	921	8.5%
Taxes	219	-112	-295.5%	260	-15.8%
PAT	780	-316	-346.8%	661	18.0%
Balance sheet key items (INR mn)					
AUM	78,764	77,145	2.1%	78,422	0.4%
Gross Loan Assets	72,421	68,529	5.7%	70,496	2.7%
Networth	19,388	16,116	20.3%	18,613	4.2%
Outside liabilities	58,451	63,636	-8.1%	57,139	2.3%
Assets	77,838	79,752	-2.4%	75,752	2.8%
Total ECL Provision	3,553	4,114	-13.6%	2,813	26.3%
Stage III ECL Provision	2,310	3,165	-27.0%	1,958	18.0%
GNPA (INR mn)	2,362	3,353	-29.6%	2,008	17.6%
GNPA %	3.0%	4.3%	-135 bps	2.6%	43 bps
NNPA %	0.1%	0.3%	-19 bps	0.1%	0 bps
CAR	25.0%	22.1%	295 bps	25.0%	0 bps
RoE	0.2%	-0.1%	24 bps	0.1%	1 bps

Source: I-Sec research, Company data

Exhibit 19: Key highlights for Muthoot Money

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Branches	674	893	998	992	997	997	998	998	998	1,011
Employees	2,840	3,555	4,302	4,437	4,432	4,791	4,780	4,884	5,012	5,067
AUM (INR mn)	16,574	22,652	29,822	39,027	50,001	63,933	80,033	97,943	1,05,503	1,27,158
Networth (INR mn)	5,072	5,033	10,061	10,203	10,570	16,261	22,234	23,573	25,292	27,201
Assets (INR mn)	18,917	25,140	32,744	44,400	56,712	68,678	87,141	1,03,450	1,15,485	1,38,389
Revenue (INR mn)	601	854	1,222	1,622	2,134	2,875	3,614	4,318	5,105	5,922
Expenses (INR mn)	620	907	1,183	1,428	1,639	1,953	2,317	2,516	2,804	3,362
PBT (INR mn)	-19	-53	39	194	495	922	1,297	1,802	2,301	2,560
Taxes (INR mn)	-7	-14	10	51	125	229	325	462	580	646
PAT (INR mn)	-12	-39	29	143	370	693	972	1,340	1,721	1,914
Key Ratios:										
GNPA/Gross stage 3	1.7%	2.1%	1.8%	1.4%	1.0%	0.8%	0.6%	0.6%	0.7%	1.1%
NNPA/Net stage 3	1.3%	1.7%	1.5%	1.1%	0.8%	0.6%	0.5%	0.5%	0.5%	1.0%
CAR	29.0%	21.0%	32.0%	25.0%	20.0%	24.7%	27.1%	24.0%	23.0%	21.0%
RoAA	-0.3%	-0.7%	0.4%	1.5%	2.9%	4.4%	5.0%	5.6%	6.3%	6.0%
RoE	-0.9%	-3.1%	1.5%	5.6%	14.2%	20.7%	20.2%	23.4%	28.2%	29.2%

Source: I-Sec research, Company data

Exhibit 20: Key highlights from Muthoot Homefin

Muthoot Homefin (INR mn)	Q2FY27	Q2FY26	% Chg YoY	Q1FY27	%Chg QoQ
Branches	176	166	6.0%	176	0.0%
Employees	905	1,022	-11.4%	957	-5.4%
Customers	0	0	-	0	-
Income statement (INR mn)					
Revenue	1,087	1,191	-8.7%	1,095	-0.7%
Expenses	976	1,057	-7.7%	1,034	-5.6%
PBT	111	134	-17.2%	61	82.0%
Taxes	40	50	-20.0%	19	110.5%
PAT	71	84	-15.5%	42	69.0%
Balance sheet key items (INR mn)					
AUM	34,601	32,465	6.6%	34,962	-1.0%
Gross Loan Assets	30,039	27,858	7.8%	30,121	-0.3%
Networth	7,720	7,256	6.4%	7,648	0.9%
Borrowings	24,199	22,792	6.2%	24,440	-1.0%
Assets	32,855	30,909	6.3%	32,990	-0.4%
Ratios (annualised)					
Yield on AUM	13.3%	13.5%	-21 bps	13.4%	-8 bps
Cost of funding	8.5%	8.8%	-29 bps	8.5%	-2 bps
NIMs to AUM	6.3%	6.2%	14 bps	6.4%	-7 bps
Total ECL Provision	513	445	15.3%	494	3.8%
Stage III ECL Provision	230	214	7.5%	254	-9.4%
GNPA (INR mn)	751	470	59.8%	759	-1.1%
GNPA %	2.2%	1.4%	72 bps	2.2%	-1 bps
NNPA %	1.5%	0.8%	72 bps	1.5%	6 bps
CAR	29.0%	30.0%	-97 bps	29.0%	0 bps
RoA	1.0%	1.2%	-29 bps	0.6%	39 bps
RoE	3.7%	6.5%	-273 bps	2.2%	151 bps

Source: I-Sec research, Company data

Exhibit 21: Shareholding pattern

%	Mar'26	Jun'26	Sep'26
Promoters	73.4	73.4	73.4
Institutional investors	22.7	22.4	22.3
MFs and others	9.7	10.5	12.4
FIs/Banks	0.0	0.0	0.0
Insurance	0.8	0.3	0.2
FIIs	12.3	11.6	9.7
Others	3.9	4.3	4.4

Source: Bloomberg, I-Sec research

Exhibit 22: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 23: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Interest Income	1,96,629	3,03,709	3,65,053	4,16,853
Net gain on fair value changes	-	-	-	-
Interest Expenses	(74,123)	(1,09,996)	(1,49,473)	(1,74,796)
Net Interest Income (NII)	**1,22,506**	**1,93,713**	**2,15,580**	**2,42,057**
Other Income	509	542	380	465
Total Income (net of interest expenses)	**54,405**	**92,641**	**74,165**	**76,452**
Employee benefit expenses	(21,950)	(27,911)	(31,500)	(37,817)
Depreciation and amortization	(1,160)	(1,373)	(1,628)	(1,737)
Fee and commission expenses	-	-	-	-
Other operating expenses	(17,003)	(20,043)	(23,967)	(27,746)
Total Operating Expense	**(40,112)**	**(49,328)**	**(57,095)**	**(67,301)**
Pre Provisioning Profits (PPoP)	**88,416**	**1,53,310**	**1,66,543**	**1,83,947**
Provisions and write offs	(15,756)	(10,261)	(20,025)	(15,489)
Profit before tax (PBT)	**72,660**	**1,43,048**	**1,46,518**	**1,68,458**
Total tax expenses	19,136	36,980	37,461	43,280
Profit after tax (PAT)	**53,524**	**1,06,069**	**1,09,057**	**1,25,178**

Source Company data, I-Sec research

Exhibit 24: Key Ratios

(Year ending March)

	FY25A	FY26A	FY27E	FY28E
Valuations				
EPS	133	264	266	306
BVPS	731	975	1,194	1,446
Yields, Interest income & spreads(%)				
Yield on AUM	19	20	18	18
Cost of funding	9	9	9	9
NIM on AUM	12	13	11	10
Other income on AUM	0.6	0.6	0.4	0.4
Operating efficiency				
Cost to income	31.2	24.3	25.5	26.8
Opex to AUM	3.8	3.2	2.8	2.9
AUM per branch (INR Mn)	223.8	327.7	376.9	414.6
Asset Quality				
GNPA	3.4	2.3	3.8	3.7
NNPA	2.8	2.0	3.1	2.8
Credit cost on AUM (Consolidated)	1.5	0.7	1.0	0.7
Profitability				
ROAA	4.7	6.5	5.0	4.9
ROE	19.7	31.0	25.1	23.6

Source Company data, I-Sec research

Exhibit 25: Balance sheet

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Share capital	4,015	4,015	4,015	4,015
Reserves & surplus	2,89,652	3,87,288	4,75,305	5,76,369
Shareholders' funds	**2,93,666**	**3,91,303**	**4,79,320**	**5,80,384**
Borrowings	9,93,688	15,17,866	18,57,254	21,05,900
Provisions & Other Liabilities	34,851	41,930	44,674	46,691
Deferred tax liabilities (net)	-	-	-	-
Current Liabilities and short-term provisions	-	-	-	-
Total Liabilities and Stakeholder's Equity	**13,28,471**	**19,57,540**	**23,89,916**	**27,44,199**
Cash and balance with RBI	83,460	1,28,678	1,76,069	2,41,557
Fixed assets	6,644	7,015	8,347	9,877
Loans	**12,05,779**	**17,88,568**	**21,66,030**	**24,46,063**
Investments	24,007	5,502	6,149	8,370
Deferred tax assets (net)	1,764	2,120	3,079	3,742
Current Assets including cash and bank	-	-	-	-
Other Assets	6,516	25,358	29,941	34,290
Total Assets	**13,28,471**	**19,57,540**	**23,89,916**	**27,44,199**

Source Company data, I-Sec research

Exhibit 26: Key Metrics

(Year ending March)

	FY25A	FY26A	FY27E	FY28E
DuPont Analysis				
Gross AUM (INR Mn)	12,22,953	18,19,678	22,10,658	25,02,163
Interest Income (%)	17.1	18.5	16.8	16.2
Interest Expense (%)	6.5	6.7	6.9	6.8
Net Interest Income (%)	**10.7**	**11.8**	**9.9**	**9.4**
Other Income (%)	0.5	0.5	0.4	0.4
Total Net Income (%)	**11.2**	**12.3**	**10.3**	**9.8**
Operating Expenses (%)	3.5	3.0	2.6	2.6
Pre Provision Operating Profit (%)	**7.7**	**9.3**	**7.7**	**7.2**
Provisions (%)	1.4	0.6	0.9	0.6
PBT (%)	**6.3**	**8.7**	**6.7**	**6.6**
Tax (%)	1.7	2.3	1.7	1.7
Reported PAT (%)	**4.7**	**6.5**	**5.0**	**4.9**
Leverage (average assets/average equity)	4.2	4.8	5.0	4.8
RoE (%)	**19.7**	**31.0**	**25.1**	**23.6**

Source Company data, I-Sec research

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122