BUY Bajaj Finance

Credit-cost blip already in the price; reiterate BUY

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BFSI - NBFCs ▸ Result Update ▸ **July 24, 2024**

TARGET PRICE (Rs): 9,000

Bajaj Finance (BAF) reported satisfactory results in Q1FY25, wherein AUM and PPoP were largely in line with consensus/our estimates; but the prolonged electoral activity-led disruptions in collections caused an increase in credit cost (~2.12% of Assets Under Finance) that drove a ~4% miss on our PAT estimate. The management maintained guidance of ~26-28% AUM growth and ~1.75-1.85% credit cost for FY25, with an upward bias in credit cost. To reflect the Q1 developments and management commentary, we have adjusted our FY25-27 estimates, leading to a ~2% cut in earnings owing to ~12bps increase in credit cost to ~1.9%. BAF shares have underperformed the NIFTY by ~15% in the last 3 months, and the current blip in credit cost seems to be already priced-in. Given ~4% RoA and >20% RoE with the over 20% earnings growth intact, we reiterate our BUY rating on the stock, with revised down Jun-25E TP to Rs9,000/sh (vs Rs9,300 earlier), implying FY26E P/BV of 5.1x.

Bajaj Finance: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Net profits	114,571	144,435	175,262	219,312	263,311
AUM growths (%)	25.3	33.6	27.0	25.0	24.0
NII growths (%)	31.2	28.7	28.0	24.7	21.9
NIMs (%)	10.3	10.2	10.1	10.0	9.8
PPOP growth (%)	30.7	28.2	28.5	24.0	21.5
Adj. EPS (Rs)	190.5	236.3	283.6	354.9	426.1
Adj. EPS growth (%)	63.3	24.0	20.0	25.1	20.1
Adj. BV (INR)	899.7	1,254.8	1,479.7	1,778.4	2,137.1
Adj. BVPS growth (%)	24.1	39.5	17.9	20.2	20.2
RoA (%)	4.7	4.4	4.1	4.1	4.0
RoE (%)	23.4	22.0	20.8	21.8	21.8
P/E (x)	35.3	28.5	23.7	19.0	15.8
P/ABV (x)	8.1	5.8	4.9	4.1	3.4

Source: Company, Emkay Research

Credit cost surge drives lower earnings

BAF reported PAT of Rs39.1bn, missing Street/our estimates mainly on account of higher than expected credit cost, which stood at 1.97%, an increase of 33bps sequentially. The surge in credit was on account of collection efficiency being impacted due to the elections (similar case in 2019) and increase in stage 2 assets, whereas default rates were lower. NIM compression of 23bps (~9.8% in Q1) is attributed to the increased CoFs (13bps) and change in AUM mix (10bps); it is expected to stabilize hereon. During the quarter, the management utilized the overlay buffer of Rs1.1bn, and expects credit cost to normalize over the next 2 quarters. Overall asset quality remained robust, with GS3/NS3 at 0.86%/0.38%.

AUM and profitability outlook maintained; credit cost to normalize in H2

The management maintained guidance of ~26-28% AUM growth (2.2-2.3x of bank credit growth) and~4.6%-4.8% RoAAUM for FY25. It attributed the prolonged election-led disruptions in collection activities to be the key driver of the slight surge in credit cost to 2.12% of Assets under Finance in Q1. The management expects credit cost to normalize in H2, and FY25 credit cost to come within the guided range of 1.75-1.85%, with a bias toward the upper end. On NIM, the management believes it will stabilize at current levels, given the balance of growth between yield-enhancer and book-stabilizer products.

Credit cost headwinds already priced in; reiterate BUY

BAF shares have underperformed the NIFTY by ~15% in the last 3 months and are currently trading on FY26E P/BV of 3.8x. This very recent underperformance, in addition to the relative underperformance in recent years, already seems to be pricing in the credit-cost headwinds. To reflect the Q1 developments and management commentary, we have tweaked our FY25-27 estimates, leading to a ~2% cut in our EPS estimates which is driven by a ~10bps increase in credit costs. Given ~4% RoA and >20% RoE with over 20% earnings growth remaining intact, we reiterate our BUY rating on the stock with revised down Jun-25E TP of Rs9,000/sh (Rs9,300 earlier), implying FY26E P/BV of 5.1x.

Target Price – 12M	Mar-25
Change in TP (%)	**(3.2)**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	33.8
CMP (23-Jul-24) (Rs)	6,727.1

Stock Data	**Ticker**
52-week High (Rs)	8,192
52-week Low (Rs)	6,188
Shares outstanding (mn)	619.0
Market-cap (Rs bn)	4,164
Market-cap (US$ mn)	49,753
Net-debt, FY25E (Rs mn)	15,202
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	9,051.5
ADTV-3M (US$ mn)	108.1
Free float (%)	-
Nifty-50	24,479
INR/US$	83.7
Shareholding, Jun-24	
Promoters (%)	54.7
FPIs/MFs (%)	17.8/17.6

Price Performance

(%)	1M	3M	12M
Absolute	(5.7)	(7.3)	(11.3)
Rel. to Nifty	(9.5)	(15.3)	(28.4)

1-Year share price trend (Rs)

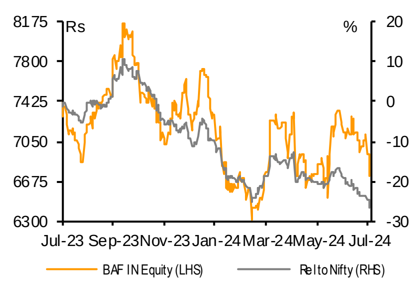

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Exhibit 1: Actual vs Estimate

BAF - Q1FY25 (Rs mn)						Change		Emkay	
Result Snapshot	**1QFY24**	**2QFY24**	**3QFY24**	**4QFY24**	**1QFY25**	**QoQ**	**YoY**	**Estimates**	**variation**
AUM	2700970	2902640	3,109,680	3,306,150	3,541,920	7%	31.1%	3,541,000	0%
NII	67,186	71970	76,553	80,130	83,653	4%	24.5%	85,490	-2%
Tota Income	83,980	88,448	92,980	97,149	104,185	7%	24.1%	104,030	0%
PPoP	55,437	58,347	61,422	64,121	69,475	8%	25%	69,954	-0.7%
Provision	9,953	10,771	12,484	13,100	16,847	29%	69%	14,638	15.1%
PBT	45,512	47,578	48,955	51,051	52,654	3%	16%	55,316	-4.8%
PAT	34,369	35,509	36,390	38,245	39,120	2.3%	13.8%	41,100	-4.8%
Credit Cost	1.54%	1.54%	1.66%	1.63%	1.97%	33bps	43bps	1.71%	26bps
GS3	0.87%	0.91%	0.95%	0.85%	0.86%	1bps	-1bps	0.90%	-4bps
NS3	0.31%	0.31%	0.37%	0.37%	0.38%	1bps	7bps	0.36%	2bps

Source: Company, Emkay Research

Exhibit 2: Change in estimates

Y/e Mar (Rs mn)	FY25E			FY26E			FY27E		
	Earlier	**Revised**	**change**	**Earlier**	**Revised**	**change**	**Earlier**	**Revised**	**change**
AUM	4,198,811	4,198,811	0.0%	5,248,513	5,248,513	0.0%	6,508,156	6,508,156	0.0%
Networth	917,221	914,476	-0.3%	1,102,063	1,099,077	-0.3%	1,325,216	1,320,713	-0.3%
AUM growth	27.0%	27.0%	0bps	25.0%	25.0%	0bps	24.0%	24.0%	0bps
Net interest income	378,768	378,769	0.0%	472,450	472,450	0.0%	576,048	576,048	0.0%
Total Income	466,989	466,990	0.0%	577,167	577,167	0.0%	701,450	701,450	0.0%
Opex	159,365	159,364	0.0%	196,591	195,762	-0.4%	239,041	238,015	-0.4%
PPOP	307,625	307,626	0.0%	380,575	381,405	0.2%	462,410	463,435	0.2%
Provisions	67,351	71,741	6.5%	85,019	86,234	1.4%	105,595	109,046	3.3%
PBT	240,274	235,885	-1.8%	295,556	295,170	-0.1%	356,815	354,389	-0.7%
PAT	178,523	175,262	-1.8%	219,598	219,312	-0.1%	265,113	263,311	-0.7%
EPS (Rs)	289	284	-1.8%	355	355	-0.1%	429	426	-0.7%
BV (Rs)	1,484	1,480	-0.3%	1,783	1,778	-0.3%	2,144	2,137	-0.3%
NIM+Fees	12.4%	12.4%	0bps	12.2%	12.2%	0bps	11.9%	11.9%	0bps
Cost-to-income ratio	34.1%	34.1%	0bps	34.1%	33.9%	-14bps	34.1%	33.9%	-15bps
Opex-to-AUM	4.2%	4.2%	0bps	4.2%	4.1%	-2bps	4.1%	4.0%	-2bps
Credit costs	1.79%	1.91%	12bps	1.80%	1.83%	3bps	1.80%	1.86%	6bps
GS3	0.85%	0.84%	0bps	0.86%	0.85%	0bps	0.85%	0.85%	0bps
NS3	0.38%	0.37%	-1bps	0.38%	0.37%	-1bps	0.38%	0.37%	-1bps
ROA	4.2%	4.1%	-10bps	4.2%	4.1%	-5bps	4.1%	4.0%	-7bps
ROE	21.2%	20.8%	-35bps	21.8%	21.8%	3bps	21.8%	21.8%	-8bps

Source: Company, Emkay Research

Exhibit 3: Valuation matrix

	CMP/TP (Rs/sh)	Upside	Mkt Cap (Rs bn)	P/BV (x)			P/E (x)			RoA (%)			RoE (%)			Book Value (Rs/sh)			Adj. EPS (Rs)		
				FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
At current market price	6,727	33.8%	4,164	4.55	3.78	3.15	23.7	19.0	15.8	4.1	4.1	4.0	20.8	21.8	21.8	1,480	1,778	2,137	284	355	426
At target price	9,000			6.08	5.06	4.21	31.7	25.4	21.1	4.1	4.1	4.0	20.8	21.8	21.8	1480	1778	2137	284	355	426

Source: Company, Emkay Research

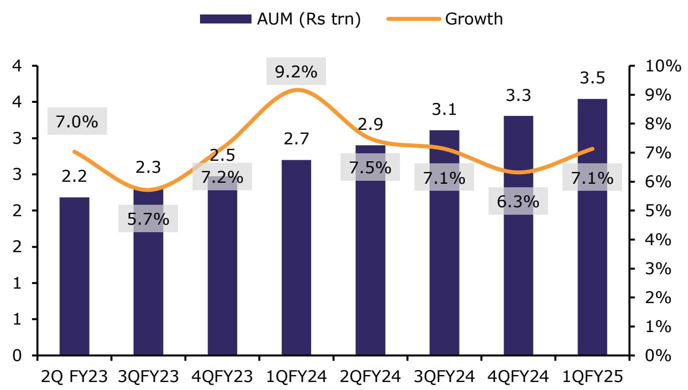
Exhibit 4: Quarterly earnings snapshot

(Rs mn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	YoY chg	QoQ chg
Net interest income	67,186	71,970	76,553	80,130	83,653	24.5%	4.4%
Non-interest income	16,795	16,478	16,427	17,019	20,531	22.2%	20.6%
Total Income	83,980	88,448	92,980	97,149	104,185	24.1%	7.2%
Operating expenses	28,544	30,100	31,557	33,028	34,709	21.6%	5.1%
PPoP	55,437	58,347	61,422	64,121	69,475	25.3%	8.4%
Provisions and Loan loss	9,953	10,771	12,484	13,100	16,847	69.3%	28.6%
Others/Exceptional	28	2	17	30	25		
PBT	45,512	47,578	48,955	51,051	52,654	15.7%	3.1%
Taxes	11,143	12,070	12,566	12,806	13,534	21.5%	5.7%
Tax Rate	24.5%	25.4%	25.7%	25.1%	25.7%		
PAT	34,369	35,509	36,390	38,245	39,120	13.8%	2.3%
Networth	579,941	598,745	684,639	766,954	808,886	39.5%	5.5%
BV	959	989	1,118	1,241	1,309	36.5%	5.5%
Basic EPS - Reported (Rs)	57	59	59	62	63	11.4%	2.3%
Total AUM	2,700,500	2,902,640	3,109,680	3,306,150	3,541,920	31.2%	7.1%
Consolidated Borrowings	2,364,225	2,556,755	2,638,780	2,895,080	3,048,260	28.9%	5.3%
NIM (as a % of AUM) - calculated	10.4%	10.3%	10.2%	10.0%	9.8%	-62bps	-22bps
Cost-to-income	34.0%	34.0%	33.9%	34.0%	33.3%	-67bps	-68bps
Credit Cost	1.54%	1.54%	1.66%	1.63%	1.97%	43bps	33bps
RoAAUM (as a % of AUM)	5.3%	5.1%	4.8%	4.8%	4.6%	-74bps	-20bps
RoAE	24.5%	24.1%	22.7%	21.1%	19.9%	-461bps	-122bps
Gross NPA	0.87%	0.91%	0.95%	0.85%	0.86%	-1bps	1bps
Net NPA	0.31%	0.31%	0.37%	0.37%	0.38%	7bps	1bps
Provision coverage ratio - Stage 3	64.8%	66.0%	61.7%	57.0%	56.1%	-868bps	-93bps

Source: Company, Emkay Research

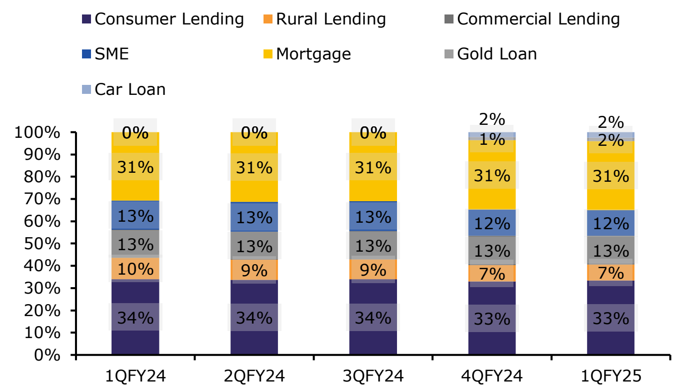
Result in charts

Exhibit 5: BAF continues to report robust AUM growth



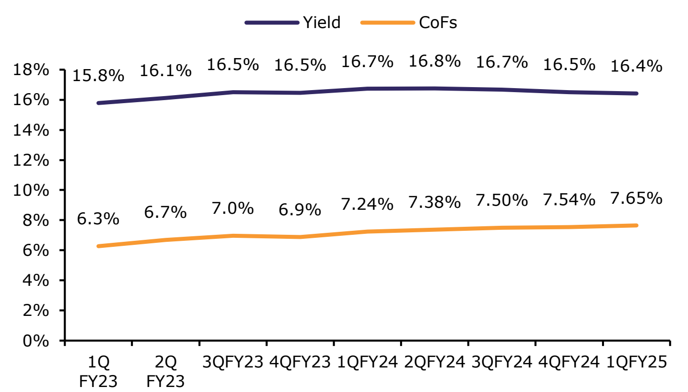
Source: Company, Emkay Research

Exhibit 6: Strong product offering



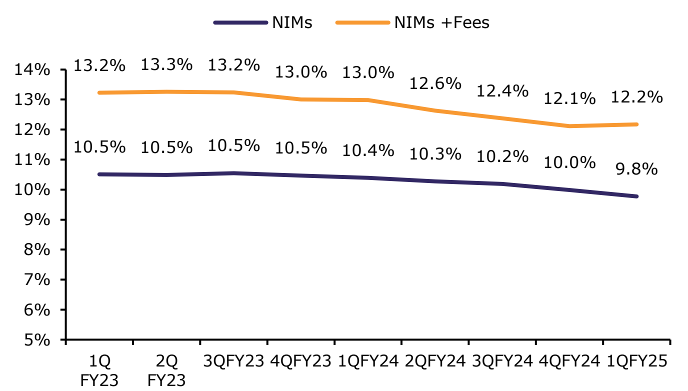
Source: Company, Emkay Research

Exhibit 7: CoFs inch up by 11bps sequentially



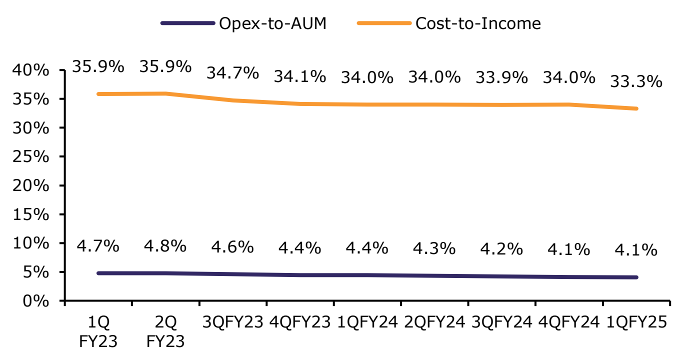
Source: Company, Emkay Research

Exhibit 8: NIMs impacted on account of increased CoFs and change in asset mix



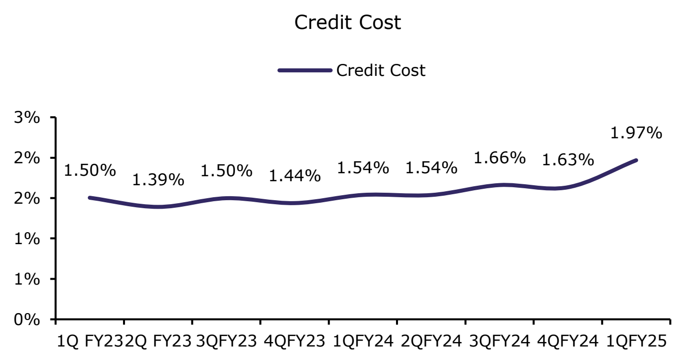
Source: Company, Emkay Research

Exhibit 9: Opex-to-AUM remains broadly stable



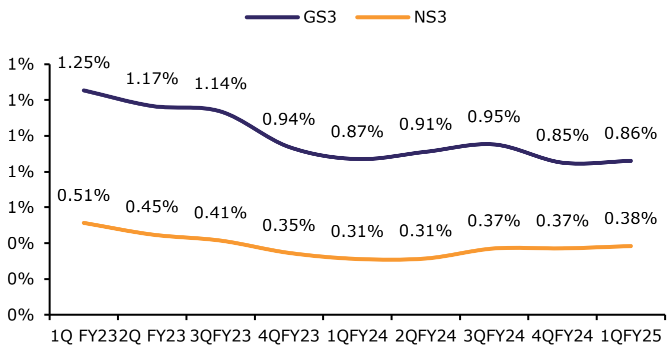
Source: Company, Emkay Research

Exhibit 10: Credit cost impacted by muted collection efficiency



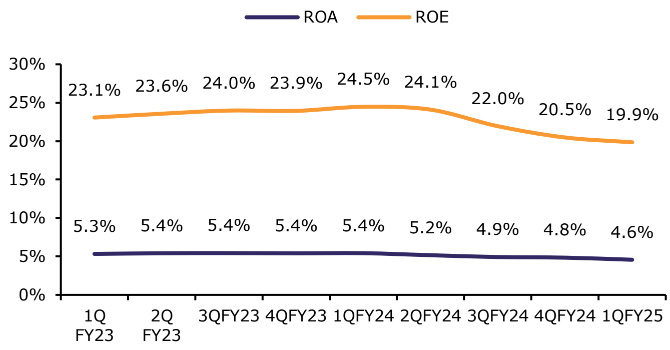
Source: Company, Emkay Research

Exhibit 11: Healthy asset quality



Source: Company, Emkay Research

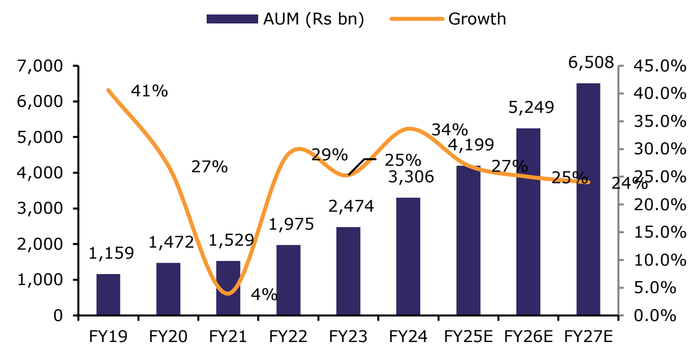
Exhibit 12: ROA/ROE impacted on account of increased CoFs



Source: Company, Emkay Research

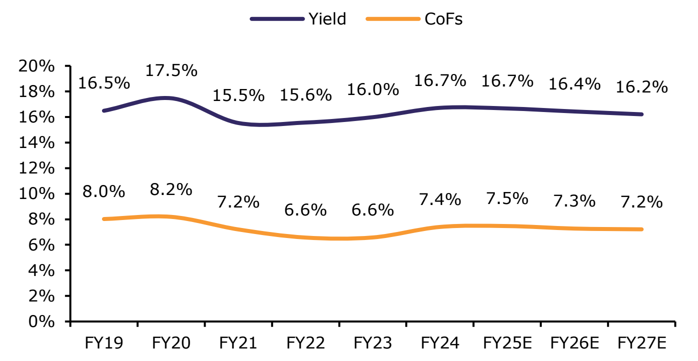
Story in charts

Exhibit 13: AUM expected to grow above 25%



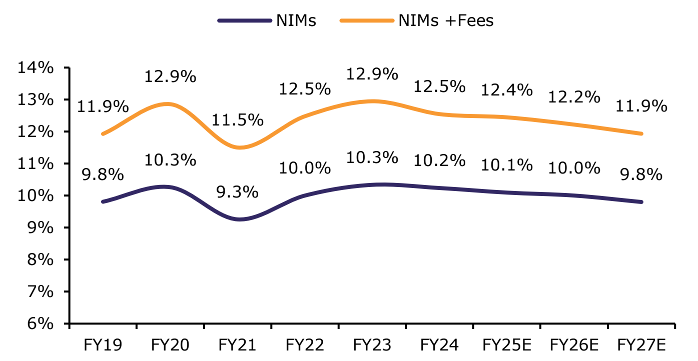
Source: Company, Emkay Research

Exhibit 14: We expect yield and CoFs to remain stable



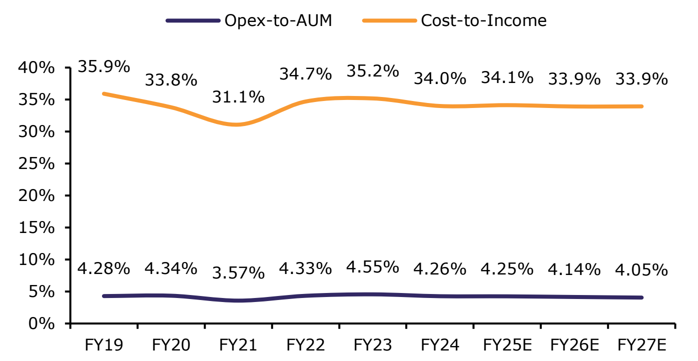
Source: Company, Emkay Research

Exhibit 15: NIM to see compression on account of increased secured mix



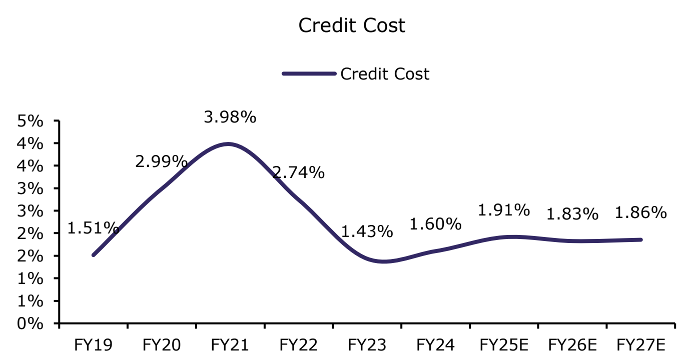
Source: Company, Emkay Research

Exhibit 16: Opex-to-AUM



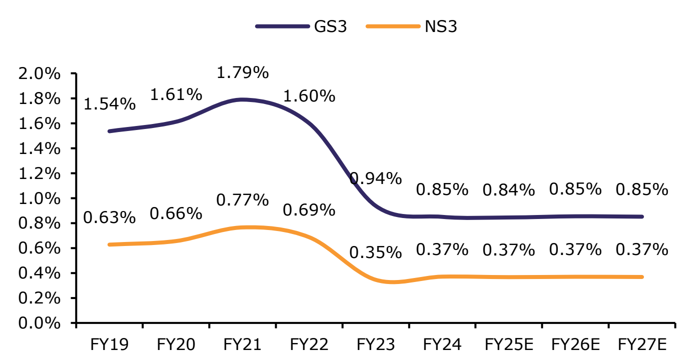
Source: Company, Emkay Research

Exhibit 17: We expect credit cost to increase in the near term, in line with management guidance



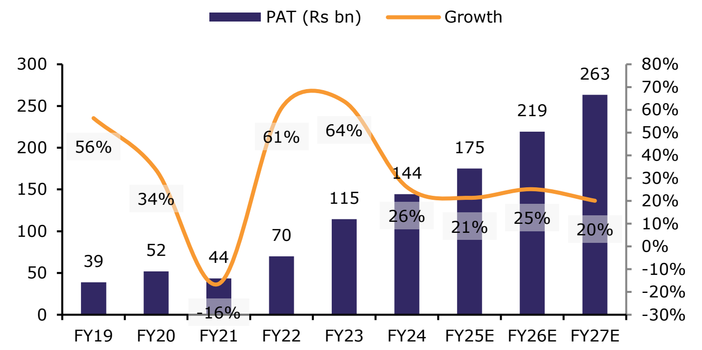
Source: Company, Emkay Research

Exhibit 18: Asset quality to remain robust



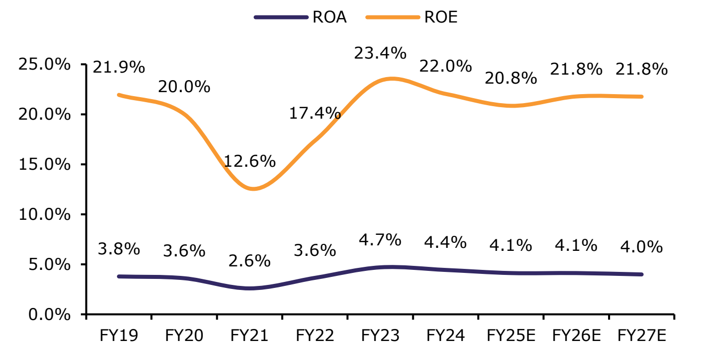
Source: Company, Emkay Research

Exhibit 19: PAT expected to grow above 20%



Source: Company, Emkay Research

Exhibit 20: ROA/ROE trends



Source: Company, Emkay Research

Earnings Conference Call Highlights

- Overall, the company saw a mixed Q1FY25, with good volumes, AUM growth, operating efficiencies, and ROE; however, loan losses remained elevated.
- Collection efficiency was muted across segments, on account of election-related disruptions and dislocations which resulted in an increase in Stage-2 Assets. The management mentioned that the company saw a similar occurrence during the 2019 elections.
- NIMs compressed by 23bps during the quarter, of which 13bps compression was driven by CoFs, whereas the 10bps impact was on account of AUM composition. Further, CoFs are expected to peak in Q2 and, as the rate cut cycle comes in, they are expected to move downward. The management expects the NIM compression to continue during Q2; however, it should stabilize Q3 onward, with the portfolio mix holding up.
- Urban Sales Financing was slow driven by rundown of the e-com and travel businesses. The management expects the segment to start seeing growth in coming quarters.
- The write-off policy has not seen any changes in the last 2 years.
- The management continues to focus on risk rather than growth.
- The loan loss provisions and stage 2 assets were largely owing to the muted collection efficiency. However, the management mentioned that it would probably takes 2 quarters to normalize the impact of collection efficiency. The management also highlighted that the bounce rate was low when compared on a YoY basis (or even with the March quarter); however, the recovery was lower, resulting in customers migrating to Stage-2.
- The management maintained its guidance of 26-28% AUM growth for the year with an upwards bias.
- Given that the E-com product went live again in Jun-24 following lifting of the RBI ban in May-24, the management expects growth to pick up in fee income. Further, the management sees more customers seeking e-com loans.
- With respect to the action taken by the RBI regarding higher risk weights, overall AUM growth in the personal loan segment is easing. Larger lenders are particularly PSU banks, which have ~35-40% market share. BAF has lost ~30bps market share in the unsecured loan segment.
- The management further mentioned that ~42% of BAF's customers have some loan relationship in the market, and there has been a marginal 3% increase in the number of customers with multiple loans. 58% of BAF's customers do not have Personal Loans and the management sees outstanding Personal Loans reducing.
- The company launched New Car financing during Jul-23, and the standard portfolio stands at ~98.3%. The management mentioned that the threshold level of delinquency was extremely low.
- Currently, the New Car segment contributed to ~30% of the Car Portfolio, while the balance was contributed by used cars. The management aims to bring the New car:Used Car mix to 45%:55%, which will result in further asset quality improvement.
- Non-interest income was higher on account of one-time gain led by Rs450mn write-off recovery.
- Credit cost for the quarter stood at 1.99%, and Rs1.05bn worth of Management Overlay was consumed. The management expects the Net loan loss-to-AUM to remain in the 1.75-1.85% range, with an upward bias in FY25.
- The company has never capitalized penal charges and, hence, there will be no impact of the RBI circular.
- BHFL has a regulatory construct criteria of 60% housing finance, with 50% covering individuals. Further, The management mentioned that LRD is more risk-adjusted and has better returns than LAP; hence, the company's portfolio is inclined toward LRD, which is sourced directly. Developer Finance is required in order to enhance the RoE.

Bajaj Finance: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	355,502	483,066	625,406	776,114	952,771
Interest Expense	125,599	187,247	246,637	303,664	376,722
Net interest income	**229,903**	**295,819**	**378,769**	**472,450**	**576,048**
NII growth (%)	31.2	28.7	28.0	24.7	21.9
Non interest income	58,066	66,759	88,221	104,716	125,402
Total income	**287,969**	**362,578**	**466,990**	**577,167**	**701,450**
Operating expenses	101,300	123,252	159,364	195,762	238,015
PPOP	**186,669**	**239,326**	**307,626**	**381,405**	**463,435**
PPOP growth (%)	30.7	28.2	28.5	24.0	21.5
Provisions & contingencies	31,897	46,307	71,741	86,234	109,046
PBT	**154,773**	**193,019**	**235,885**	**295,170**	**354,389**
Extraordinary items	0	0	0	0	0
Tax expense	40,202	48,584	60,622	75,859	91,078
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	**114,571**	**144,435**	**175,262**	**219,312**	**263,311**
PAT growth (%)	63.7	26.1	21.3	25.1	20.1
Adjusted PAT	**114,571**	**144,435**	**175,262**	**219,312**	**263,311**
Diluted EPS (Rs)	**189.6**	**236.3**	**283.6**	**354.9**	**426.1**
Diluted EPS growth (%)	63.7	24.7	20.0	25.1	20.1
DPS (Rs)	**30.0**	**37.0**	**44.9**	**56.2**	**67.4**
Dividend payout (%)	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**
Effective tax rate (%)	26.0	25.2	25.7	25.7	25.7
Net interest margins (%)	10.3	10.2	10.1	10.0	9.8
Cost-income ratio (%)	35.2	34.0	34.1	33.9	33.9
PAT/PPOP (%)	61.4	60.4	57.0	57.5	56.8
Shares outstanding (mn)	604.5	618.0	618.0	618.0	618.0

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	1,209	1,236	1,236	1,236	1,236
Reserves & surplus	542,511	765,718	913,240	1,097,841	1,319,477
Net worth	**543,720**	**766,954**	**914,476**	**1,099,077**	**1,320,713**
Borrowings	**2,166,905**	**2,895,080**	**3,710,128**	**4,641,760**	**5,805,252**
Other liabilities & prov.	**41,662**	**95,383**	**119,228**	**149,035**	**186,294**
Total liabilities & equity	**2,752,287**	**3,757,416**	**4,743,833**	**5,889,872**	**7,312,259**
Net loans	2,422,689	3,262,933	4,097,502	5,118,421	6,340,734
Investments	227,518	308,807	389,876	484,064	600,964
Cash, other balances	43,045	106,240	50,000	62,079	77,071
Interest earning assets	**2,693,253**	**3,677,980**	**4,537,378**	**5,664,564**	**7,018,770**
Fixed assets	16,766	23,583	25,300	27,830	30,612
Other assets	42,268	55,853	181,155	197,478	262,877
Total assets	**2,752,287**	**3,757,416**	**4,743,833**	**5,889,872**	**7,312,259**
BVPS (Rs)	899.7	1,254.8	1,479.7	1,778.4	2,137.1
Adj. BVPS (INR)	899.7	1,254.8	1,479.7	1,778.4	2,137.1
Gross loans	2,466,357	3,313,344	4,163,766	5,201,367	6,445,553
Total AUM	**2,473,790**	**3,306,150**	**4,198,811**	**5,248,513**	**6,508,156**
On balance sheet	2,466,357	3,313,344	4,163,766	5,201,367	6,445,553
Off balance sheet	7,433	(7,193)	35,044	47,146	62,603
Disbursements	0	0	0	0	0
Disbursements growth (%)	0.0	0.0	0.0	0.0	0.0
Loan growth (%)	26.6	34.7	25.6	24.9	23.9
AUM growth (%)	25.3	33.6	27.0	25.0	24.0
Borrowings growth (%)	31.1	33.6	28.2	25.1	25.1
Book value growth (%)	24.1	39.5	17.9	20.2	20.2

Source: Company, Emkay Research

Asset quality and other metrics

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Asset quality					
GNPL - Stage 3	23,130	28,160	35,180	44,438	54,857
NNPL - Stage 3	8,370	12,100	15,202	19,140	23,616
GNPL ratio - Stage 3 (%)	0.9	0.8	0.8	0.9	0.9
NNPL ratio - Stage 3 (%)	0.3	0.4	0.4	0.4	0.4
ECL coverage - Stage 3 (%)	63.8	57.0	56.8	56.9	56.9
ECL coverage - 1 & 2 (%)	1.2	1.0	1.1	1.1	1.1
Gross slippage - Stage 3	0	0	0	0	0
Gross slippage ratio (%)	0.0	0.0	0.0	0.0	0.0
Write-off ratio (%)	1.7	1.7	1.7	1.7	1.7
Total credit costs (%)	1.4	1.6	1.9	1.8	1.9
NNPA to networth (%)	1.5	1.6	1.7	1.7	1.8
Capital adequacy					
Total CAR (%)	25.0	22.5	21.3	20.7	20.0
Tier-1 (%)	23.2	21.5	20.3	19.7	19.0
Miscellaneous					
Total income growth (%)	31.7	25.9	28.8	23.6	21.5
Opex growth (%)	33.6	21.7	29.3	22.8	21.6
PPOP margin (%)	8.4	8.3	8.2	8.1	7.9
Credit costs-to-PPOP (%)	17.1	19.3	23.3	22.6	23.5
Loan-to-Assets (%)	88.0	86.8	86.4	86.9	86.7
Yield on loans (%)	16.0	16.7	16.7	16.4	16.2
Cost of funds (%)	6.6	7.4	7.5	7.3	7.2
Spread (%)	9.4	9.3	9.2	9.2	9.0

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	35.3	28.5	23.7	19.0	15.8
P/B (x)	7.5	5.4	4.5	3.8	3.1
P/ABV (x)	8.1	5.8	4.9	4.1	3.4
P/PPOP (x)	23.5	18.7	14.6	11.8	9.7
Dividend yield (%)	0.4	0.5	0.7	0.8	1.0
Dupont-RoE split (%)					
NII/avg AUM	10.3	10.2	10.1	10.0	9.8
Other income	2.6	2.3	2.4	2.2	2.1
Securitization income	0.0	0.0	0.0	0.0	0.0
Opex	2.3	2.1	2.1	2.0	2.0
Employee expense	2.3	2.2	2.2	2.1	2.1
PPOP	**8.4**	**8.3**	**8.2**	**8.1**	**7.9**
Provisions	1.4	1.6	1.9	1.8	1.9
Tax expense	1.8	1.7	1.6	1.6	1.5
RoAUM (%)	**5.2**	**5.0**	**4.7**	**4.6**	**4.5**
Leverage ratio (x)	4.5	4.4	4.5	4.7	4.9
RoE (%)	**23.4**	**22.0**	**20.8**	**21.8**	**21.8**

Quarterly data

Rs mn, Y/E Mar	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
NII	62,549	67,186	71,970	76,553	80,130
NIM(%)	10.5	10.4	10.3	10.2	10.0
PPOP	51,190	55,437	58,347	61,422	64,121
PAT	31,578	34,369	35,509	36,390	38,245
EPS (Rs)	52.25	56.83	58.67	59.42	61.89

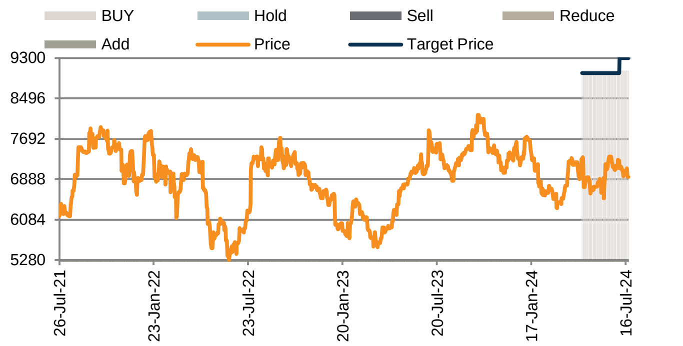
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
04-Jul-24	7,107	9,300	Buy	Avinash Singh
05-Jun-24	6,837	9,000	Buy	Avinash Singh
03-May-24	6,932	9,000	Buy	Avinash Singh
26-Apr-24	6,731	9,000	Buy	Avinash Singh
23-Apr-24	7,260	9,000	Buy	Avinash Singh

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	<15% downside

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