Bajaj Housing Finance

NBFCs

Focus on gaining market share but with emphasis on operating efficiency and credit quality

BHFL is among the fastest growing HFCs in India – 29% AUM CAGR between FY20-25 vs. similar-sized peers' growth declining and larger peer growing at 8% during the same period. Its market share increased to 1.6% by FY25 from 1% in FY20. Taking cognisance of its diverse product offerings (HL, LRD, DF and LAP) serving all customer segments (prime and non-prime), it aims to improve its home loan origination market share to 5% from current level of 2.5-2.7%. While BHFL's focus remains on outpacing industry growth (14-16% CAGR till FY28), it emphasises on operating efficiency and credit quality. It expects opex to NTI to moderate to 14-15% over the medium term from the current level of 20%. Maintain **BUY** with an unchanged TP of INR 125, valuing the stock at 4x FY27E P/B.

Strategic focus on optimising AUM mix by 2-3% to enhance profitability

While BHFL remains committed in scaling all mortgage products, its strategic priorities are - scale, low risk and reasonable return. In order to enhance profitability, it plans to optimise AUM mix by 2-3% in favour of return enhancers like construction finance, LAP and non-prime home loans. Optimum AUM mix would be 12-15% for construction finance (12% currently), non-prime HL would be ~20% of HL book (17%) and LAP would be 10-12% (10%). Further, it plans to improve opex to NTI to 14-15% from 20% currently with scale benefit and tech-driven process. Overall, it expects RoA to remain at 2-2.2% and RoE at 13-15% over the medium term.

Full mortgage product stack to ensure growth sustainability

Home loan industry is likely to reach AUM size of INR 60-63trn by FY28 (as per CRIF Highmark, Crisil Intelligence), implying 14-16% CAGR. BHFL currently commands 2.5-2.7% origination market share vs. portfolio market share of 1.6%, and it plans to improve origination market share to 5% in the medium term. Notably, HFCs' market share moderated to 18.3% by FY25 from 21.3% in FY20 and, during same time, BHFL's market share improved to 1.6% from 1%. A key enabler to its steady improvement in market share was its product diversification – initially, it started with prime salaried home loans and later expanded presence across all sub segments to complete its mortgage product stack.

Financial Summary

Y/E March (INR mn)	FY24A	FY25A	FY26E	FY27E
Net Interest Income	25,098	30,069	37,695	45,085
PAT	17,312	21,629	26,015	31,580
EPS (INR)	2.6	2.6	3.1	3.8
BVPS (INR)	18	24	27	31
P/E (x)	37.3	37.1	30.8	25.4
P/BV (x)	5.3	4.0	3.6	3.1
Gross Stage - 3 (%)	0.3	0.3	0.3	0.4
Dividend Yield (%)	-	-	-	-
RoA (%)	2.4	2.3	2.3	2.3
RoE (%)	15.2	13.4	12.2	13.1

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Market Data

Market Cap (INR)	802bn
Market Cap (USD)	8,922mn
Bloomberg Code	BAJAJHFL IN
Reuters Code	BAJO.BO
52-week Range (INR)	148 /95
Free Float (%)	11.0
ADTV-3M (mn) (USD)	13.9

Price Performance (%)	3m	6m	12m
Absolute	(14.0)	(20.9)	(30.4)
Relative to Sensex	(19.6)	(26.2)	(35.7)

ESG Score	2024	2025	Change
ESG score	NA	76.6	NA
Environment	NA	55.6	NA
Social	NA	79.8	NA
Governance	NA	81.5	NA

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

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E
PAT	-	-

Previous Reports

07-11-2025: Initiating coverage

Strategic construct for building sustainable and robust business model - scale, low risk and reasonable return

- **Scalable balance sheet:** BHFL aims to become a large mortgage player with prime HL and LRD being the anchor products for delivering scale. In order to ensure sustainable scale up in balance sheet, it is targeting to increase its market share to 5% in incremental home loans origination in medium term from currently 2.5-2.7%.

- **Low risk business model:** BHFL's focus is on scale alongside low risk and reasonable return. Keeping this in mind, it has ventured into prime housing and LRD as its key anchor products, which are low risk in nature. Overall, from a medium-term perspective, it aims for GNPA to hover in the range of 40-60bps and credit cost to be in the range of 20-25bps as portfolio matures.

- **Deliver reasonable return:** Optimise mix of products with scale-building products and yield enhancers are expected to deliver reasonable returns. Medium-term target is to have RoA in the range of 200-220bps and RoE in the range of 13-15%.

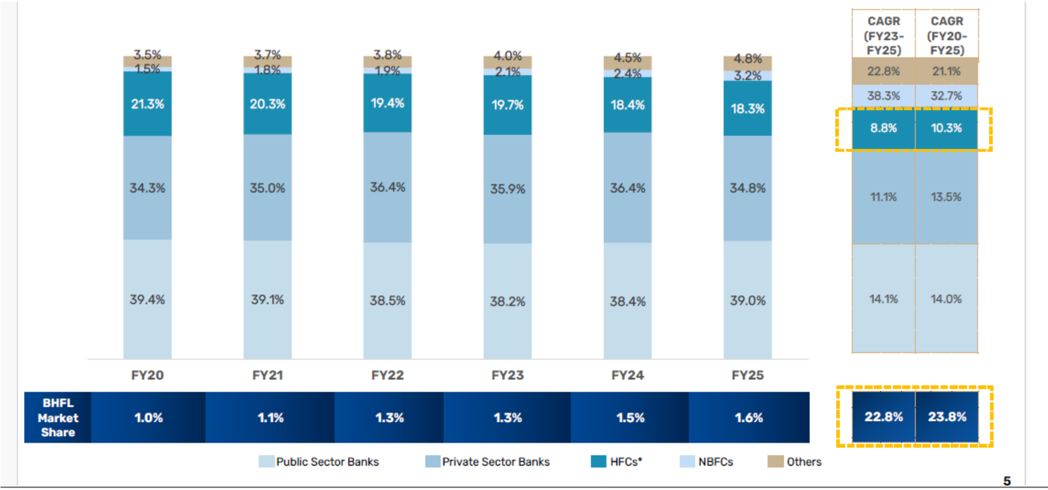
- **Full mortgage product suite:** BHFL is among the most diversified HFCs offering all mortgage-related products - HL, LAP, CF, LRD, etc. to all segment classes. Medium-term outcome for BHFL is to do 2-3% movement within portfolio mix, based on scale and returns.

- **Diversified borrowing mix:** Have a balanced mix of floating and fixed rate liabilities to optimise the borrowing cost. Currently, NCDs form the largest market share at 48% followed by banks at 37%.

BHFL is positioned for sustained outperformance driven by its clear focus on prime home loans and LRD which together deliver scale with structurally low credit risk. Despite operating in a bank-dominated mortgage industry (~75% market share by private and public banks combined), BHFL has steadily increased its home loan market share from 1.0% to 1.6% over FY20–25 with 10-15bps yearly improvement in market share. This was despite HFCs' overall share moderating from 21.3% in FY20 to 18.3% in FY25. Going ahead, BHFL targets 5% share in incremental home loan originations vs. current 2.5-2.7%, offering a significant runway for calibrated portfolio compounding.

BHFL grew higher than the industry in FY23-25 with AUM growth of ~23% wherein HFCs/PSBs/ private sector banks were able to grow at <15%. This was despite heightened competition from peers with respect to lending rates.

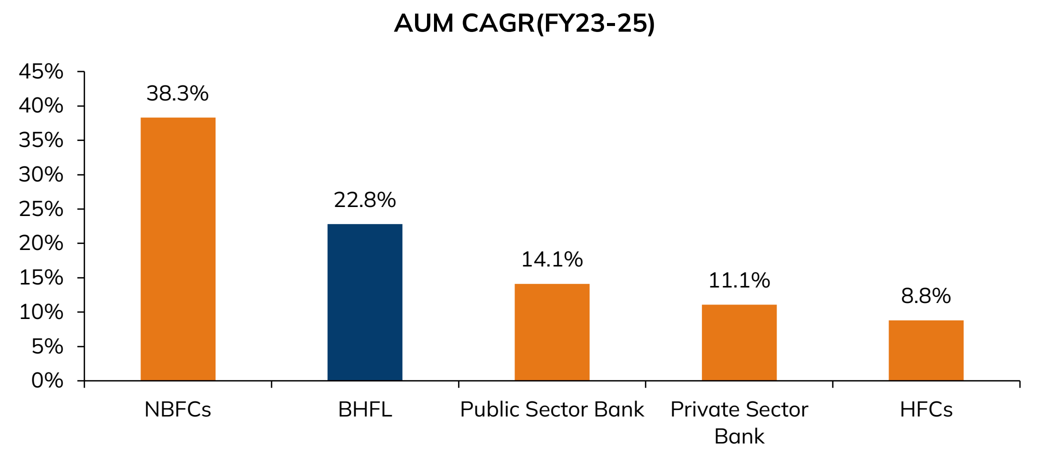
Exhibit 1: BHFL has demonstrated its dominance in mortgage segment since its entry into the business in FY18, evident in a steady increase in the market share



Source: Company data, I-Sec research, CRIF Highmark, Crisil Intelligence

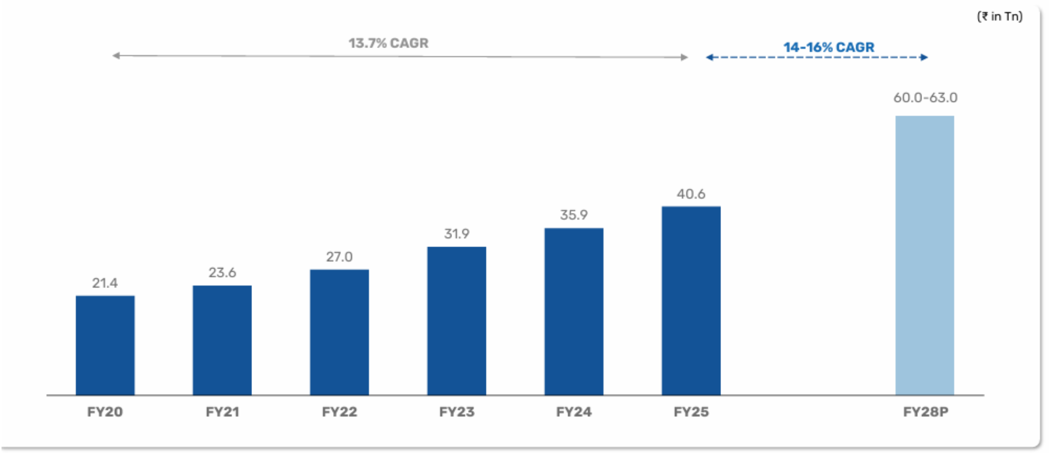
Note: HFC share is adjusted for HDFC merger; Others includes other financial institutions, Small Finance Banks and foreign banks

Exhibit 2: BHFL's AUM grew 23% from FY23-25, much ahead of banks and its peer HFCs



Source: I-Sec research, Company data

Exhibit 3: Home loan market likely to grow at 14-16% CAGR until FY28

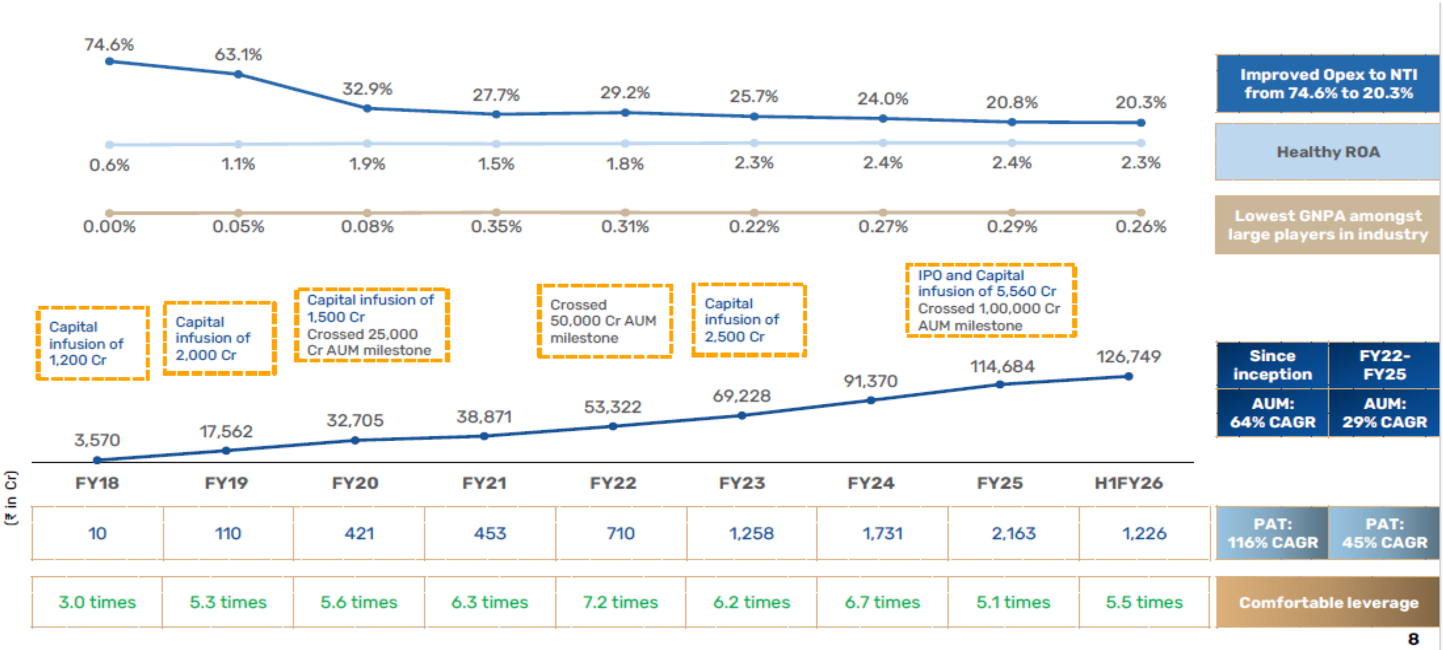


Source: I-Sec research, Company data

Since FY18, BHFL has consistently improved its operational cost with opex to NTI reducing sharply from >70% to just 20% in H1FY26, reflecting scale benefits, digital adoption, centralised processes and disciplined cost control. Leverage has been managed prudently rising from 3x to 5.5x over the years, allowing BHFL to support rapid AUM expansion while maintaining asset quality (lowest GNPA amongst large players in the industry). The combination of operating leverage and calibrated balance sheet gearing provides robust foundation for sustaining RoA of 2.0-2.2% and enhances long-term return delivery as the franchise continues to scale.

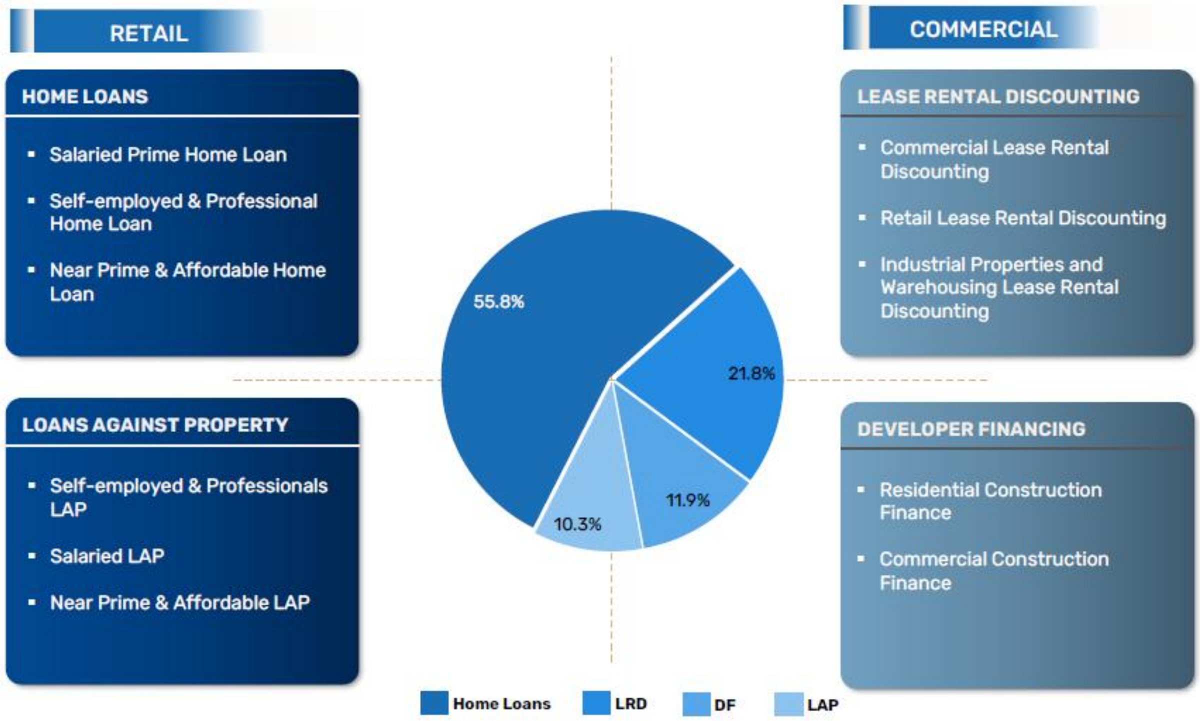
Despite robust AUM growth, due to prudent risk management, robust underwriting, secured lending and focus on low yielding but superior customer quality, BHFL has ensured benign asset quality trends.

Exhibit 4: Consistent AUM growth trajectory from FY18-25, along with improvement in RoA, backed by robust asset quality metrics



Source: Company data, I-Sec research

Exhibit 5: 2nd largest HFC offering full suite of mortgage products across retail as well as commercial segments

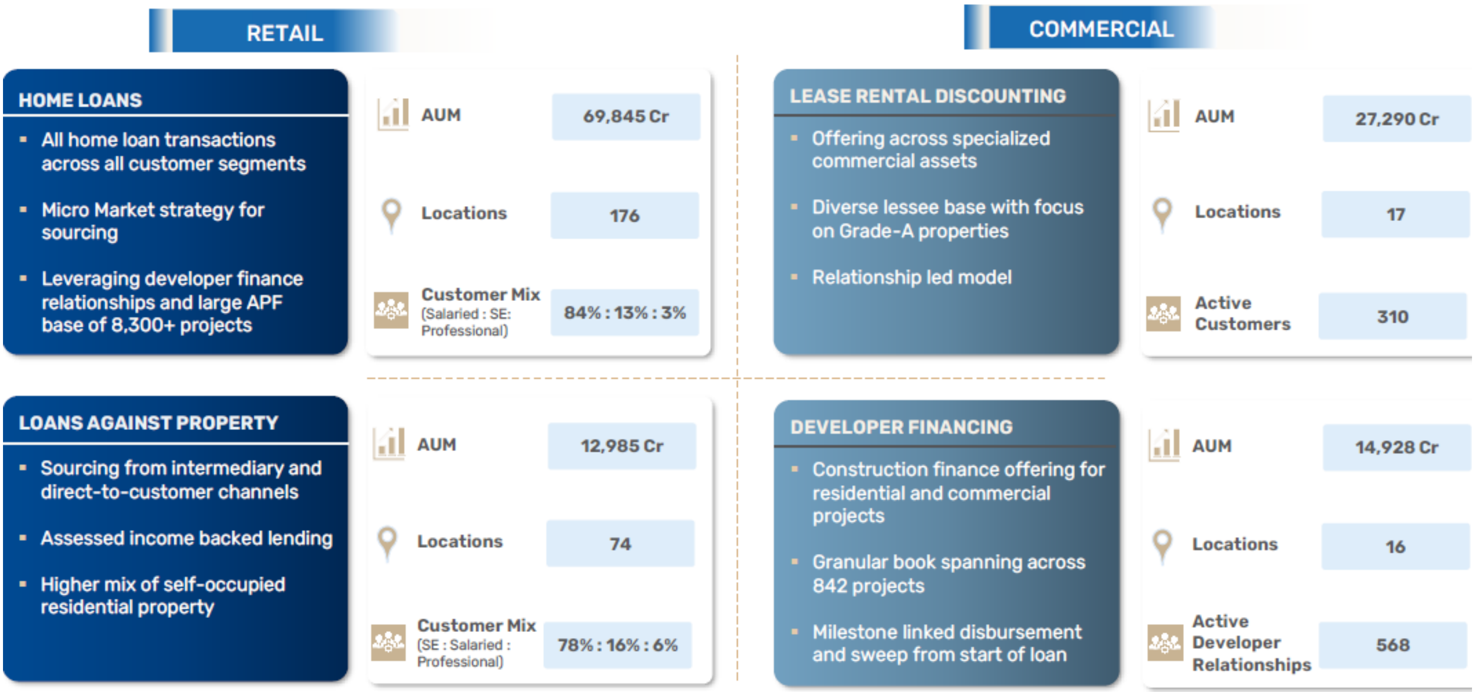


Source: Company data, I-Sec research

Note: Portfolio mix also includes 1.3% share of other products

Over the years, BHFL has carefully crafted its product offerings – it focuses on building a loan portfolio (at consolidated level) that can offer balance sheet stability (low credit cost), margin and scale. In-line with this, along with low-risk prime housing, it started scaling high quality LRD portfolio. Both prime HL and LRD provide balance sheet stability, while LAP and DF drive margins.

Exhibit 6: Granularity seen across product segments with home loans and LRD being anchor products



Source: Company data, I-Sec research

Note: Figures as of 30th Sep 2025

BHFL is the fastest growing HFC and among very few entities in India, scaling loan AUM to >INR 1trn within eight years in the business. It delivered 65% AUM CAGR between FY18–25 with pristine asset quality, as reflected in average 30bps credit cost during the period.

To reach INR 1trn AUM, BHFL adopted a differentiated approach to mortgage financing. In the past eight years, it has built a product portfolio that encompasses the entire mortgage value chain, unlike other HFCs/NBFCs that have focused on scaling one product/segment like prime housing or affordable/non-prime housing.

While it expanded product offerings and customer segments, it continued to focus on low-risk prime segment and is selectively doing relatively high-risk, high-margin products like LAP, self-employed segment, developer financing etc. to improve NIM at entity level.

Although BHFL is focusing on growing all products, within its portfolio it expects that there would be 2-3% movement within products based on specific role in overall strategy and maintain scale, low risk and reasonable return. Accordingly, growth of each product is assessed and prioritised basis their contribution in the construct and risk return outcomes at points in time. Prime HL and LRD products are flagship products for BHFL and it will continue to focus on these products which offer low risk along with scale.

Exhibit 7: Strategic priorities aligned towards achieving scale along with low risk (via diversification) and reasonable return (via optimisation of product mix)

Balanced Product Mix	Optimize product mix with 2-3% movement in current portfolio mix while playing out between products and sub-segments basis risk-adjusted return
Increase Home Loans Penetration	Continue to invest in the deepening and widening strategy for 5% market share in incremental home loans originations
Optimize Treasury Mix	Balance mix of floating and fixed rate liabilities for optimized cost of fund to enable competitive lending
Digitalization for Seamless Process	Continue to digitalize processes for ease of process and enhanced controllership

Source: Company data, I-Sec research

Retail portfolio products such as LAP, HLs and commercial products like DF and LRD each have unique underwriting structures. Retail underwriting is carried out using a centralised hub model to maintain consistency and control, whereas, commercial underwriting utilises a hybrid method that merges field due diligence with a centralised team review.

The internal organisation structure is aligned basis customer segmentation i.e., prime retail, non-prime retail and commercial. This segregation enables businesses to cater to differentiated nuances of their respective customer segments by understanding the needs of each segment.

Exhibit 8: Business verticals divided basis customer segments such as prime, non-prime and commercial

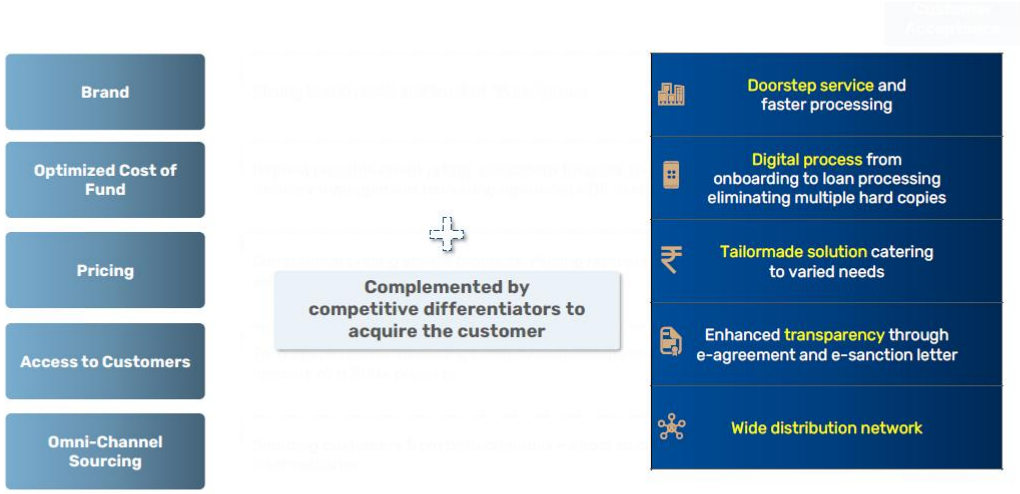
3 Business Verticals

	Retail (Prime)	Retail (Non-Prime)	Commercial (LRD and DF)
Dedicated Front End	Dedicated Sales teams for both sourcing channels (Direct and Indirect)	Dedicated Sales teams for near prime and affordable segments	Dedicated Sales teams for LRD and Developer Financing respectively
Dedicated Enabling Functions	Credit (Centralized hubs)	Credit (Centralized/ Regional hubs)	Credit and Collateral
	Collateral	Collateral	Debt Management by RM
	Operations (Regional hubs)	Operations (Regional hubs)	Operations (Centralized)
	Risk Policy	Risk Policy	Risk Policy

Common Horizontal Functions	Debt Management	Finance	Horizontal Risk	Compliance	Admin	Audit
	Treasury	Legal	IT	HR	Marketing	Secretarial

Source: Company data, I-Sec research

Exhibit 9: BHFL's various services and offerings along with brand value to ensure strong AUM growth going ahead as well



Source: Company data, I-Sec research

BHFL's RoA has levers from opex efficiency and some improvement in margins, while an inch up in credit cost on steady-state basis could partially offset the benefit flowing from opex efficiency and margins.

Exhibit 10: Priority is to have an optimum balance of growth and profitability

AUM Growth Priority	Return Enhancement Priority
Prime Home Loans	Developer Financing
LRD	LAP
Non-Prime Home Loans	Non-Prime Home Loans
LAP	LRD
Developer Financing	Prime Home Loans

Overall Growth Priority
Prime Home Loans
LRD
Non-Prime Home Loans
Developer Financing
LAP

Source: Company data, I-Sec research

Exhibit 11: BHFL expects 21-23% AUM CAGR with RoA of 200-220bps and RoE of 11-12% for FY26

₹ in Crore

Particulars	Q2 FY26	Q2 FY25	YoY	H1 FY26	H1 FY25	YoY
Assets under management	**1,26,749**	**1,02,569**	**24%**	**1,26,749**	**1,02,569**	**24%**
Loan Assets	**1,13,059**	**89,878**	**26%**	**1,13,059**	**89,878**	**26%**
Interest income	2,614	2,227	17%	5,107	4,290	19%
Interest expenses	1,658	1,514	10%	3,264	2,912	12%
Net Interest income	**956**	**713**	**34%**	**1,843**	**1,378**	**34%**
Net Total Income (NTI)	**1,097**	**897**	**22%**	**2,110**	**1,707**	**24%**
Operating Expenses	214	184	16%	429	355	21%
Pre-provisioning operating profit	**883**	**713**	**24%**	**1,681**	**1,352**	**24%**
Loan Losses & Provision	50	5		91	15	
Profit before tax	**833**	**708**	**18%**	**1,590**	**1,337**	**19%**
Profit after tax	**643**	**546**	**18%**	**1,226**	**1,028**	**19%**
Key Ratios:						
Opex to NTI	19.6%	20.5%		20.3%	20.7%	
Loan loss to Average Loan Assets **	0.18%	0.02%		0.17%	0.04%	
Gross NPA (%)	0.26%	0.29%		0.26%	0.29%	
Return on Average Loan Assets **	2.3%	2.5%		2.3%	2.4%	
Return on Average Equity **	12.2%	13.0%		11.9%	13.3%	

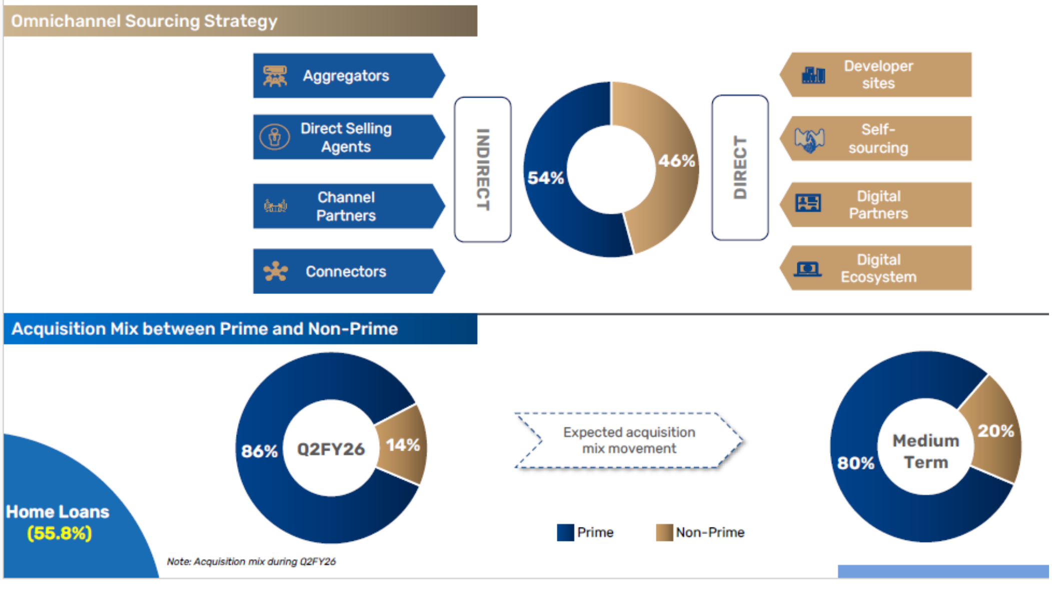
Key Financial Indicators	FY26 Estimate
AUM Growth	21-23%
Opex to NTI	20-21%
GNPA	35 – 40 bps
Credit Cost	15 – 20 bps
Return on Assets	2.0 - 2.2%
Return on Equity	11 – 12%

Source: Company data, I-Sec research

BHFL entered retail mortgage in FY18, and a strong captive customer base of Bajaj Finance helped its journey in terms of customer acquisition. While BHFL continued to mine the captive customer base of its parent, it has also focused on building strong acquisition channels on its own - spanning across markets and customer segments, covering both retail as well as wholesale clientele.

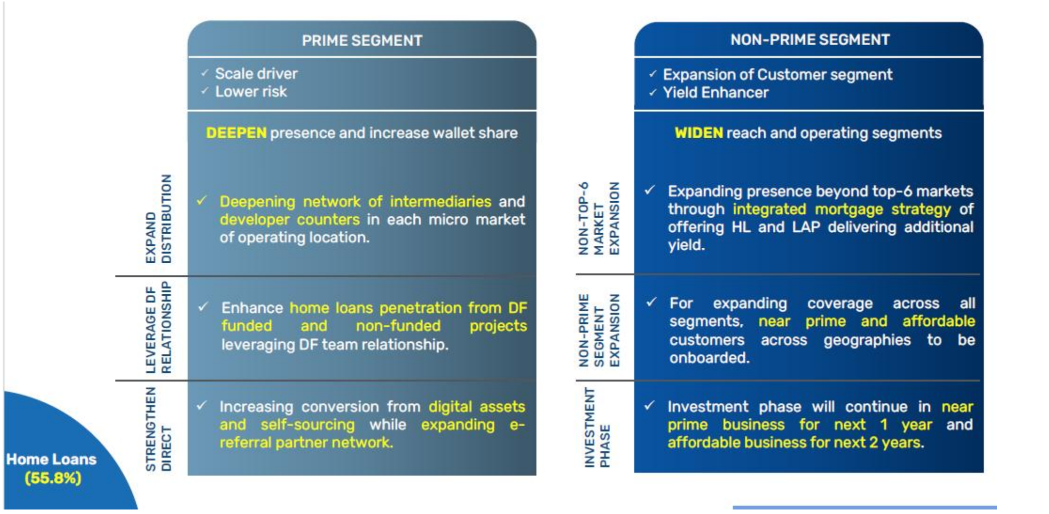
Taking cognisance of the changing customer preference towards digital loans, it balanced physical presence with digital onboarding to maximise reach. Further, in order to expand reach, it also activated DSA and connector channels to maximise branch productivity in addition to generating leads from B2B ecosystem, primarily developers.

Exhibit 12: Omnichannel sourcing strategy for its key product – housing loans



Source: Company data, I-Sec research

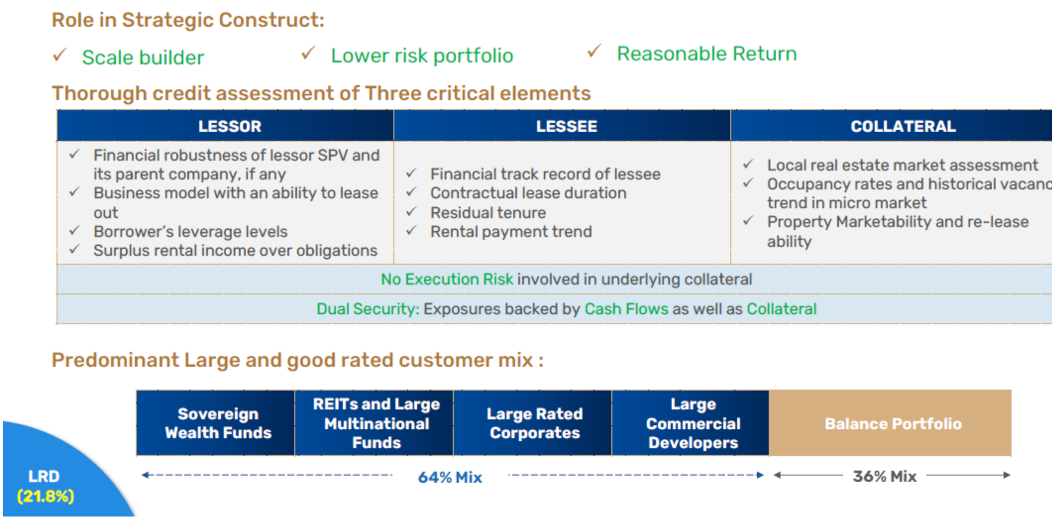
Exhibit 13: BHFL is expanding markets and sourcing channels to accelerate new customer acquisition



Source: Company data, I-Sec research

LRD is the 2nd largest portfolio for BHFL comprising 22% of its overall AUM. It has offerings across stabilised commercial assets including office space, warehousing and industrial properties. Its customer base is spread across commercial real estate developers, listed REITs, private equities and sovereign funds.

Exhibit 14: LRD- 2nd largest portfolio with pristine asset quality since inception



Source: Company data, I-Sec research

For DF, BHFL has been an outlier in terms of performance on growth as well as asset quality front. While most of the lenders have downsized this portfolio over the past few years, BHFL on the contrary has seized the opportunity and scaled this business. While scaling its DF book, BHFL remained focused on the quality of the book and more importantly it preferred developers/projects, which can complement its retail HLs. Thus, it preferred developers with a proven record of on-time project completion, strong financial health and steady loan repayment track record.

Exhibit 15: Differentiated strategy for DF aiding enhanced profitability

Role in Strategic Construct:

- ✓ Key enabler for funnel expansion of retail home loans
- ✓ Return enhancer for the Company
- ✓ Full mortgage product suite coverage

Key Differentiators in Sourcing Strategy

- ✓ Each location is bifurcated into micro markets basis current launches opportunity which is targeted for deepening our presence through D2C approach.

Developer Assessment

- Demonstrated an "ability to build and sell" minimum 0.7 MSF in micro market.
- Robust financial track record with consistent loan repayment ability.
- Vintage developer with on-time project completion.

Project Assessment

- Micro market assessment of launches, absorption and price trend
- Performance of peer projects in respective micro market
- Exposure backed against cash flows, inventory and undivided share of land etc.

Milestone Linked Disbursement

- Pre-defined disbursement milestones at the time of sanction linked to:
  - ✓ Stage of construction
  - ✓ Sales
  - ✓ Collection
  - ✓ Funding as % of project cost (net of land cost & interest)

DF (11.9%)

Source: Company data, I-Sec research

For LAP, BHFL has lowered its risk by having 72% of customers with SORP as collateral. This will ensure its asset quality is well protected, even across cycles. LAP GNPA among all its products is relatively higher, but it is still quite manageable and much benign vs. peers.

Exhibit 16: LAP at 10.3% of overall portfolio - augmenting its overall portfolio yield

Role in Strategic Construct:

- ✓ Return enhancer for the Company
- ✓ Full mortgage product suite coverage

Key Differentiators

- ✓ Assessed income backed lending along with assessment of collateral value
- ✓ Diverse customer base with comfortable LTV levels

Expanding wallet share and network of intermediaries

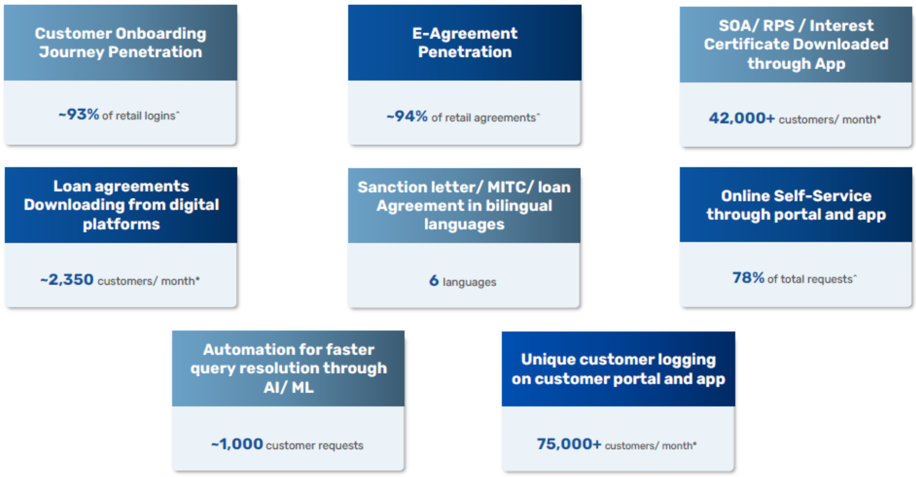
- ✓ Expanding distribution heft in top-6 markets for expanding wallet share with existing intermediaries within each micro-market
- ✓ Integrated mortgage strategy in top-6+ markets to enhance LAP contribution through distributors while enhancing wallet share for BHFL products
- ✓ Expand LAP to near prime and affordable customer segments

LAP (10.3%)

Source: Company data, I-Sec research

BHFL continues to introduce digital initiatives to ease these processes and build operating efficiencies across its loan journey with >90% e-onboarding and e-agreement.

Exhibit 17: Encouraging penetration reflecting adoption of BHFL's digital initiatives



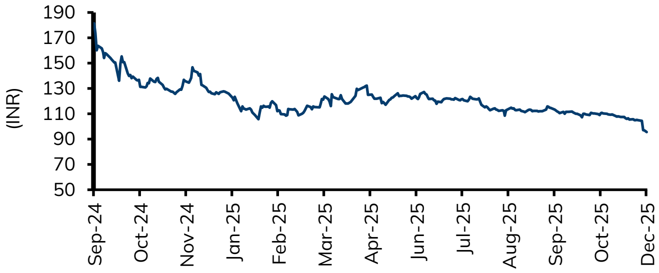
Source: Company data, I-Sec research

Exhibit 18: Shareholding pattern

%	Mar'25	Jun'25	Sep'25
Promoters	88.8	88.7	88.7
Institutional investors	1.9	1.6	1.4
MFs and other	0.5	0.3	0.3
Banks/ FIs	0.0	0.0	0.0
Insurance Cos.	0.3	0.3	0.2
FIIs	1.1	1.0	0.9
Others	9.3	9.7	9.9

Source: Bloomberg, I-Sec research

Exhibit 19: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 20: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Interest Income	72,024	89,862	109,852	135,130
Net gain on fair value changes	1,332	1,643	1,736	2,118
Interest Expenses	(46,926)	(59,793)	(72,157)	(90,045)
Net Interest Income (NII)	**25,098**	**30,069**	**37,695**	**45,085**
Other Income	4	4	4	4
Total Income (net of interest expenses)	**29,251**	**35,967**	**44,026**	**52,989**
Employee benefit expenses	(4,656)	(4,836)	(5,143)	(5,931)
Depreciation and amortization	-	-	-	-
Fee and commission expenses	(117)	(119)	(149)	(186)
Other operating expenses	(2,256)	(2,508)	(3,302)	(3,700)
Total Operating Expense	**(7,029)**	**(7,464)**	**(8,594)**	**(9,818)**
Pre Provisioning Profits (PPoP)	**22,222**	**28,503**	**35,432**	**43,171**
Provisions and write offs	(609)	(801)	(1,898)	(2,463)
Profit before tax (PBT)	**21,613**	**27,702**	**33,534**	**40,708**
Total tax expenses	(4,301)	(6,073)	(7,520)	(9,128)
Profit after tax (PAT)	**17,312**	**21,629**	**26,015**	**31,580**

Source Company data, I-Sec research

Exhibit 21: Balance sheet

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Share capital	67,122	83,282	83,282	83,282
Reserves & surplus	55,213	116,187	142,201	173,781
Shareholders' funds	**122,335**	**199,468**	**225,483**	**257,063**
Borrowings	**689,451**	**820,343**	**1,029,076**	**1,264,250**
Provisions & Other Liabilities	5,596	7,079	7,768	8,525
Deferred tax liabilities (net)	-	-	-	-
Current Liabilities and short-term provisions	889	1,197	1,281	1,371
Total Liabilities and Stakeholder's Equity	**818,271**	**1,028,088**	**1,263,607**	**1,531,209**
Cash and balance with RBI	640	618	760	921
Fixed assets	875	1,003	1,204	1,445
Loans	**793,008**	**995,129**	**1,223,920**	**1,483,861**
Investments	19,386	25,333	31,158	37,775
Deferred tax assets (net)	509	441	530	636
Current Assets including cash and bank	-	-	-	-
Other Assets	3,500	5,161	5,553	5,992
Total Assets	**818,271**	**1,028,088**	**1,263,607**	**1,531,209**

Source Company data, I-Sec research

ICICI Securities

Exhibit 22: Key Ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
AUM and Disbursements (INR mn)				
AUM	913,704	1,146,840	1,398,766	1,699,726
On-book Loans	793,008	995,129	1,223,920	1,483,861
Off-book Loans	120,697	151,711	174,846	215,865
Disbursements	446,562	508,430	574,526	666,450
Sanctions	-	-	-	-
Repayments	-	-	-	-
Growth (%):				
Total AUM (%)	32.0	25.5	22.0	21.5
Disbursements (%)	30.1	13.9	13.0	16.0
Sanctions (%)	-	-	-	-
Repayments (%)	-	-	-	-
Loan book (on balance sheet) (%)	27.7	25.5	23.0	21.2
Total Assets (%)	26.6	25.6	22.9	21.2
Net Interest Income (NII) (%)	22.0	19.8	25.4	19.6
Non-interest income (%)	(0.7)	50.8	8.0	25.9
Total Income (net of interest expenses) (%)	19.2	23.0	22.4	20.4
Operating Expenses (%)	11.5	6.2	15.1	14.2
Employee Cost (%)	7.0	3.9	6.3	15.3
Non-Employee Cost (%)	24.4	11.2	31.6	12.1
Pre provisioning operating profits (PPoP) (%)	21.9	28.3	24.3	21.8
Provisions (%)	(50.7)	31.5	137.0	29.7
PBT (%)	27.1	28.2	21.1	21.4
PAT (%)	37.6	24.9	20.3	21.4
EPS (%)	37.6	0.7	20.3	21.4
Yields, interest costs and spreads (%)				
NIM on loan assets (%)	3.5	3.4	3.4	3.3
NIM on IEA (%)	3.1	2.9	3.0	2.9
NIM on AUM (%)	3.1	2.9	3.0	2.9
Yield on loan assets (%)	10.2	10.1	9.9	10.0
Yield on IEA (%)	9.0	8.7	8.6	8.7
Yield on AUM (%)	9.0	8.7	8.6	8.7
Cost of borrowings (%)	7.7	7.9	7.8	7.9
Interest Spreads (%)	2.5	2.1	2.1	2.1
Operating efficiencies				
Non interest income as % of total income	32.9	31.4	32.4	31.5
Cost to income ratio	24.0	20.8	19.5	18.5
Op.costs/avg assets (%)	1.0	0.8	0.8	0.7
Op.costs/avg AUM (%)	0.9	0.7	0.7	0.6
No of employees (estimate) (x)	2,372	1,977	1,877	1,827
No of branches (x)	215	216	228	240
Salaries as % of non-interest costs (%)	66.2	64.8	59.8	60.4
NII /employee (INR mn)	10.6	15.2	20.1	24.7
AUM/employee (INR mn)	385.2	580.1	745.2	930.3
AUM/ branch (INR mn)	4,249.8	5,309.4	6,134.9	7,082.2
Capital Structure				
Average gearing ratio (x)	5.6	4.1	4.6	4.9
Leverage (x)	6.7	5.2	5.6	6.0
CAR (%)	21.3	28.2	26.5	24.9
Tier 1 CAR (%)	20.7	27.7	26.1	24.6
Tier 2 CAR (%)	0.6	0.5	0.4	0.4
RWA (estimate) - INR mn	573,518	701,884	863,255	1,046,597
RWA as a % of loan assets	72.3	70.5	70.5	70.5

	FY24A	FY25A	FY26E	FY27E
Asset quality and provisioning				
GNPA (%)	0.3	0.3	0.3	0.4
NNPA (%)	0.1	0.1	0.2	0.2
GNPA (INR mn)	2,156	2,870	4,121	5,442
NNPA (INR mn)	782	1,140	1,855	2,340
Coverage ratio (%)	63.7	60.3	55.0	57.0
Credit Costs as a % of avg AUM (bps)	8	8	15	16
Credit Costs as a % of avg on book loans (bps)	9	9	17	18
Return ratios				
RoAA (%)	2.4	2.3	2.3	2.3
RoAE (%)	15.2	13.4	12.2	13.1
ROAAUM (%)	2.2	2.1	2.0	2.0
Dividend Payout ratio (%)	-	-	-	-
Valuation Ratios				
No of shares	6,712	8,328	8,328	8,328
No of shares (fully diluted)	6,712	8,328	8,328	8,328
ESOP Outstanding	-	-	-	-
EPS (INR)	2.6	2.6	3.1	3.8
EPS fully diluted (INR)	2.6	2.6	3.1	3.8
Price to Earnings (x)	37.3	37.1	30.8	25.4
Price to Earnings (fully diluted) (x)	37.3	37.1	30.8	25.4
Book Value (fully diluted)	18	24	27	31
Adjusted book value	18	24	27	31
Price to Book	5.3	4.0	3.6	3.1
Price to Adjusted Book	5.3	4.0	3.6	3.1
DPS (INR)	-	-	-	-
Dividend yield (%)	-	-	-	-

Source Company data, I-Sec research

Exhibit 23: Key Metrics

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
DuPont Analysis				
Average Assets (INR mn)	732,406	923,179	1,145,848	1,397,408
Average Loans (INR mn)	707,073	894,068	1,109,525	1,353,891
Average Equity (INR mn)	113,683	160,902	212,475	241,273
Interest earned (%)	9.8	9.7	9.6	9.7
Net gain on fair value changes (%)	0.2	0.2	0.2	0.2
Interest expended (%)	6.4	6.5	6.3	6.4
Gross Interest Spread (%)	**3.4**	**3.3**	**3.3**	**3.2**
Credit cost (%)	0.1	0.1	0.2	0.2
Net Interest Spread (%)	**3.3**	**3.2**	**3.1**	**3.1**
Operating cost (%)	0.9	0.8	0.7	0.7
Lending spread (%)	**2.4**	**2.4**	**2.4**	**2.4**
Non interest income (%)	0.4	0.5	0.4	0.4
Operating Spread (%)	**2.8**	**2.8**	**2.8**	**2.8**
Tax rate (%)	19.9	21.9	22.4	22.4
ROAA (%)	**2.4**	**2.3**	**2.3**	**2.3**
Effective leverage (AA/ AE)	6.4	5.7	5.4	5.8
RoAE (%)	**15.2**	**13.4**	**12.2**	**13.1**

Source Company data, I-Sec research

Source Company data, I-Sec research

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