REDUCE

HDB Financial Services

Strong across disbursements, asset quality, and profitability

Emkay
Your success is our success

BFSI - NBFCs | Result Update | **July 15, 2026**

CMP (Rs): 752 | TP (Rs): 725

HDBFS reported a good quarter in terms of disbursement, asset quality, and profitability, while AUM growth remained soft. AUM as of 1QFY27 stood at Rs1.22trn, growing 11.4% yoy, while the management indicated that the recalibration in the USL and asset finance segments is done and growth will return in coming quarters. Overall asset quality continues to improve despite seasonality, with credit cost broadly stable sequentially, while the management expects credit cost to remain contained at 2.3% on a steady-state basis. Margins (NIMs) are expected to hold above 8%, with COFs broadly stable over the year. The management noted that the impact of the West Asia conflict and monsoon is limited as of now but remains watchful. Further, the management expects operating efficiency to improve as it continues to invest in AI tech and leverage its digital assets. To reflect the 1Q developments and management commentary, we tweak our FY27-29 estimates, leading to ~3-7% increase in earnings (Exhibit 2); we maintain REDUCE, raising our Jun-27E TP from Rs675 to Rs725 (implying FY28E PBV of 2.2x).

A good quarter in terms of disbursement, asset quality, and profitability

HDBFS posted a good quarter in terms of disbursement (growing 16% yoy), asset quality, and profitability (above our and street estimates), while AUM growth remained soft, growing 11.4% yoy to Rs1.22trn. NIM (reported) expanded to 8.35% (up by ~12bps qoq), driven by ~19bps yield expansion, which offset a marginal increase (~4bps qoq) in COFs. Adjusted opex was stable at ~39.9%, while credit cost for the quarter was 2.32%, marginally higher than expectation. Asset quality improved, with GS3 at 2.34%, improving ~10bps qoq/20bps yoy. The management pointed to improving overall collection efficiency; the company has also been able to contain slippages, resulting in strong asset-quality improvement.

Asset finance and unsecured segment to start seeing growth ahead

The management remains confident of improving growth momentum in coming quarters, as the calibration in the asset finance and USL segments are now done, while indicating that the West Asia conflict and the impact of El Niño would be key monitorables. The management also indicated that it targets NIMs above 8% and COFs to remain range-bound; any marginal deviation would be mainly due to a change in asset mix. The management stated it has implemented multiple AI models, which are now yielding rewards. This should moderate opex-to-AUM, while credit cost is likely to hover at ~2.3%, as stress in the CV and USL segments has bottomed; it targets an ROA of 2.5%.

Factoring in the 1Q performance, maintain REDUCE with revised TP of Rs725

Factoring in the 1QFY26 developments and management commentary, we tweak our FY27-28 estimates, leading to EPS increasing ~3-7%. We maintain REDUCE, raising our Jun-27E TP from Rs675 to Rs725, implying FY28E PBV of 2.2x. Given that peer NBFC groups are delivering better growth, any re-rating of HDBFS will be contingent on it accelerating growth materially without significant asset-quality issues.

HDB Financial Services: Financial Snapshot (Standalone)

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profits	21,760	25,436	31,815	38,454	46,234
AUM growth (%)	18.5	10.9	15.0	17.8	17.9
NII growth (%)	18.3	20.4	16.1	17.5	18.1
NIMs (%)	7.6	8.0	8.2	8.2	8.3
PPOP growth (%)	15.3	23.0	16.6	19.7	19.1
Adj. EPS (Rs)	27.4	31.3	38.3	46.3	55.7
Adj. EPS growth (%)	(11.8)	14.2	22.5	20.9	20.2
Adj. BV (INR)	199.1	254.2	287.2	333.5	389.2
Adj. BVPS growth (%)	14.8	27.6	13.0	16.1	16.7
RoA (%)	2.2	2.2	2.4	2.5	2.5
RoE (%)	14.7	13.9	14.3	14.9	15.4
P/E (x)	27.4	24.0	19.6	16.2	13.5
P/ABV (x)	3.8	3.0	2.6	2.3	1.9

Source: Company, Emkay Research

Target Price – 12M	Jun-27
Change in TP (%)	**7.4**
Current Reco.	REDUCE
Previous Reco.	REDUCE
Upside/(Downside) (%)	(3.6)

Stock Data	**HDBFS IN**
52-week High (Rs)	848
52-week Low (Rs)	555
Shares outstanding (mn)	830.4
Market-cap (Rs bn)	624
Market-cap (USD mn)	6,484
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	1.0
ADTV-3M (Rs mn)	670.2
ADTV-3M (USD mn)	7.0
Free float (%)	0.0
Nifty-50	24,078.5
INR/USD	96.3

Shareholding,	
Promoters (%)	0.0
FPIs/MFs (%)	0.0/0.0

Price Performance

(%)	1M	3M	12M
Absolute	8.1	16.7	(10.6)
Rel. to Nifty	7.1	17.4	(6.5)

1-Year share price trend (Rs)

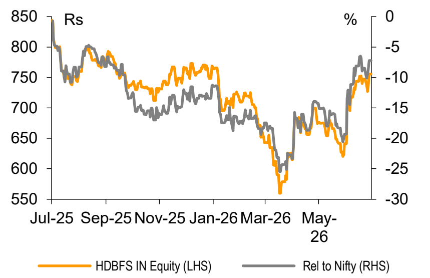

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Exhibit 1: Actual vs Estimates

HDBFS - 1QFY27											
(Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy	qoq	1QFY27E	Variation	Consensus	Variation
Business assets	1,093,420	1,114,090	1,145,770	1,184,930	1,218,460	11.4%	2.8%	1,256,026	-3.0%		
Disbursement	151,710	155,990	179,170	199,220	176,290	16.2%	-11.5%	177500.7	-0.7%		
NII	20,918	21,925	22,850	23,988	25,087	19.9%	4.6%	24,394	2.8%		
Total income	27,257	28,514	29,695	30,629	31,846	16.8%	4.0%	31,245	1.9%	30,041	6.0%
PPoP	14,022	15,305	15,725	16,958	17,522	25.0%	3.3%	17,085	2.6%	17,351	1.0%
Provisions	6,697	7,483	7,122	6,846	6,971	4.1%	1.8%	6,853	1.7%	6,870	1.5%
PBT	7,325	7,822	8,603	10,112	10,551	44.0%	4.3%	10,232	3.1%	10,481	0.7%
PAT	5,677	5,814	6,439	7,506	7,852	38.3%	4.6%	7,602	3.3%	7,513	4.5%
NIMs + Fees	10.08%	10.33%	10.51%	10.51%	10.60%	52bps	9bps	10.24%	36bps		
Credit cost	2.48%	2.71%	2.52%	2.35%	2.32%	-16bps	-3bps	2.25%	7bps		
GS3	2.56%	2.81%	2.81%	2.44%	2.34%	-22bps	-10bps	2.45%	-11bps		
NS3	1.11%	1.27%	1.25%	1.10%	1.05%	-6bps	-5bps	1.12%	-7bps		

Source: Company, Emkay Research

Exhibit 2: Change in estimates

Y/e Mar (Rs mn)	FY27E			FY28E			FY29E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
AUM	1,362,972	1,362,972	0.0%	1,605,275	1,605,275	0.0%	1,892,802	1,892,802	0.0%
Disbursement	795,864	795,864	0.0%	931,161	931,161	0.0%	1,098,770	1,098,770	0.0%
Net interest income	101,933	104,154	2.2%	119,757	122,346	2.2%	141,913	144,541	1.9%
Total income	129,467	131,052	1.2%	150,099	151,946	1.2%	176,042	176,921	0.5%
PPOP	71,125	72,327	1.7%	84,851	86,550	2.0%	102,168	103,046	0.9%
Provisions	30,962	29,508	-4.7%	35,694	34,794	-2.5%	41,731	40,820	-2.2%
PBT	40,163	42,819	6.6%	49,157	51,756	5.3%	60,436	62,226	3.0%
PAT	29,841	31,815	6.6%	36,524	38,454	5.3%	44,904	46,234	3.0%
EPS (Rs)	35.9	38.3	6.6%	44.0	46.3	5.3%	54.1	55.7	3.0%
BVPS (Rs)	285	287	0.8%	329	334	1.4%	383	389	1.6%
Net worth	236,481	238,455	0.83%	273,005	276,909	1.43%	317,909	323,143	1.65%
NIMs	8.00%	8.18%	17bps	8.07%	8.24%	17bps	8.11%	8.26%	15bps
NIM + Fees	10.16%	10.29%	12bps	10.11%	10.24%	12bps	10.07%	10.12%	5bps
Cost-to-Income	45.06%	44.81%	-25bps	43.47%	43.04%	-43bps	41.96%	41.76%	-21bps
Adj. Cost-to-income ratio	40.19%	39.97%	-21bps	39.42%	39.01%	-41bps	38.63%	38.43%	-20bps
Opex-to-AUM	4.58%	4.61%	3bps	4.40%	4.41%	1bps	4.22%	4.22%	0bps
Adj opex-to-AUM	3.72%	3.75%	3bps	3.69%	3.70%	1bps	3.66%	3.66%	0bps
Loan book growth	15.03%	15.03%	0bps	17.78%	17.78%	0bps	17.91%	17.91%	0bps
Disbursement growth	16.00%	16.00%	0bps	17.00%	17.00%	0bps	18.00%	18.00%	0bps
Credit costs	2.43%	2.32%	-11bps	2.41%	2.34%	-6bps	2.39%	2.33%	-5bps
ROA	2.25%	2.40%	15bps	2.37%	2.49%	12bps	2.48%	2.55%	7bps
ROE	13.5%	14.3%	83bps	14.3%	14.9%	59bps	15.2%	15.4%	21bps

Source: Company, Emkay Research

Exhibit 3: Valuation metrics

			PBV (x)			PE (x)			RoA (%)			RoE (%)			Book value (Rs/sh)			EPS (Rs)		
	Price	Upside	FY27E	FY28E	FY289E	FY27E	FY28E	FY289E	FY27E	FY28E	FY289E	FY27E	FY28E	FY289E	FY27E	FY28E	FY289E	FY27E	FY28E	FY289E
At CMP	752	-4%	2.6	2.3	1.9	19.6	16.2	13.5	2.40	2.49	2.55	14.3	14.9	15.4	287.2	333.5	389.2	38.3	46.3	55.7
At TP	725		2.5	2.2	1.9	18.9	15.7	13.0												

Source: Company, Emkay Research

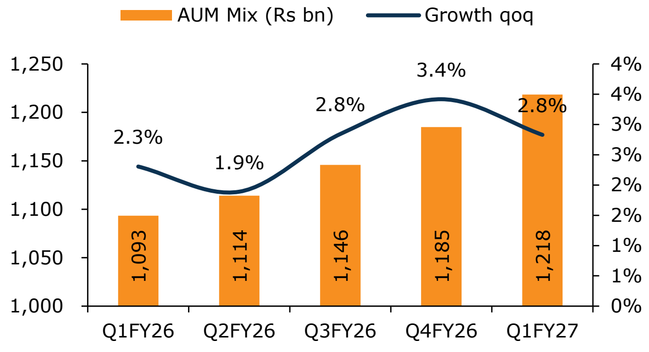
Exhibit 4: Quarterly earnings snapshot

Quarterly earnings summary	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy	qoq
Interest income	38,315	38,865	39,890	40,813	42,620	11.2%	4.4%
Interest expenses	17,397	16,940	17,040	16,825	17,533	0.8%	4.2%
Net interest income	20,918	21,925	22,850	23,988	25,087	19.9%	4.6%
Other income	6,339	6,589	6,845	6,641	6,759	6.6%	1.8%
Income	27,257	28,514	29,695	30,629	31,846	16.8%	4.0%
Operating expenses	13,235	13,209	13,970	13,671	14,324	8.2%	4.8%
Operating profit	14,022	15,305	15,725	16,958	17,522	25.0%	3.3%
Provisions	6,697	7,483	7,122	6,846	6,971	4.1%	1.8%
Credit cost (on avg Business Assets)	2.48%	2.71%	2.52%	2.35%	2.32%	-16bps	-3bps
PBT	7,325	7,822	8,603	10,112	10,551	44.0%	4.3%
Tax	1,648	2,008	2,164	2,606	2,699	63.8%	3.6%
Reported PAT	5,677	5,814	6,439	7,506	7,852	38.3%	4.6%
Net worth (approx)	179,373	193,382	198,271	206,640	213,138	18.8%	3.1%
AUM	1,093,420	1,114,090	1,145,770	1,184,930	1,218,460	11.4%	2.8%
Disbursements	151,710	155,990	179,170	199,220	176,290	16.2%	-11.5%
GS3	2.56%	2.81%	2.81%	2.44%	2.34%	-22bps	-10bps
NS3	1.11%	1.27%	1.25%	1.10%	1.05%	-6bps	-5bps
PCR	56.70%	54.73%	55.59%	55.52%	55.72%	-98bps	19bps
ROA	1.90%	1.93%	2.35%	2.48%	2.50%	60bps	2bps
ROE	13.20%	12.23%	13.99%	14.83%	14.96%	176bps	13bps

Source: Company, Emkay Research; Note: RoE for Q3FY26 is per reporting, and is adjusted for Rs560mn (excluding the impact of new labour codes)

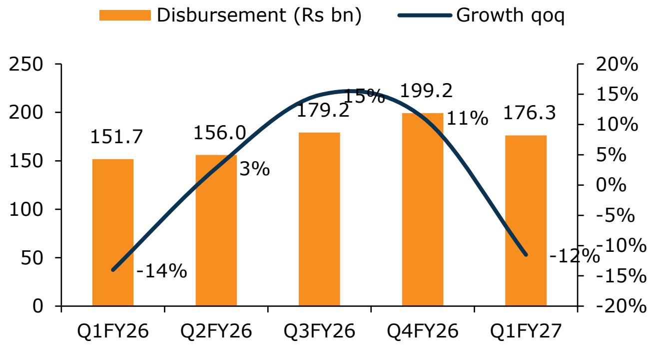
Results in charts

Exhibit 5: AUM growth remained below expectation



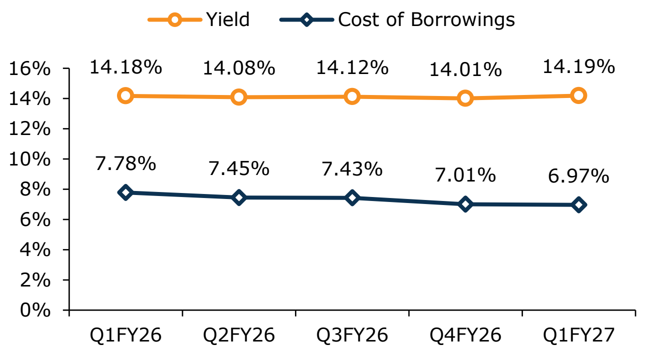
Source: Company, Emkay Research

Exhibit 6: Strong disbursement in consumer and enterprise lending



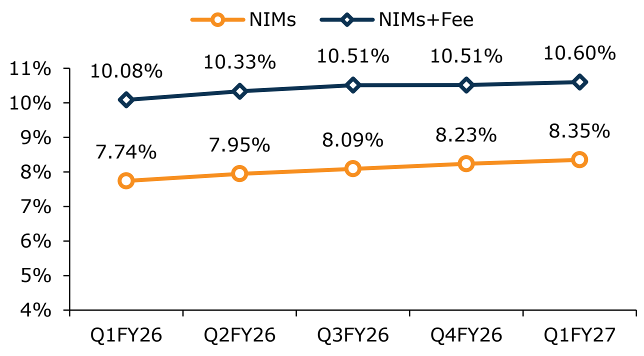
Source: Company, Emkay Research

Exhibit 7: Yield improved by ~18bps qoq



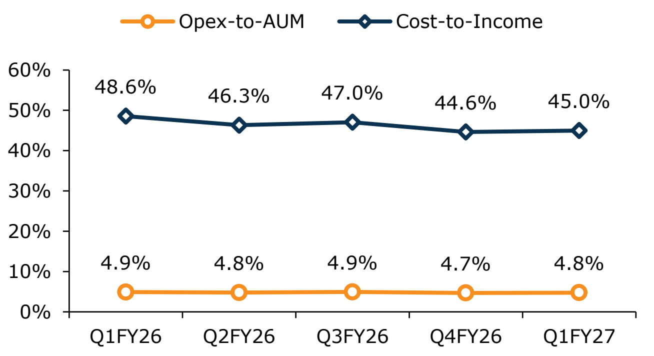
Source: Company, Emkay Research

Exhibit 8: Margin improvement led by moderating yield improvement



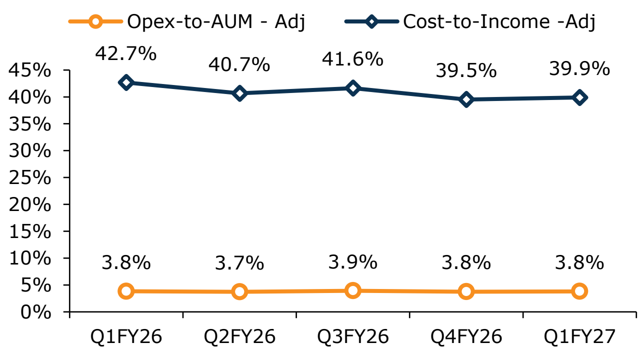
Source: Company, Emkay Research

Exhibit 9: Opex ratio remains range-bound



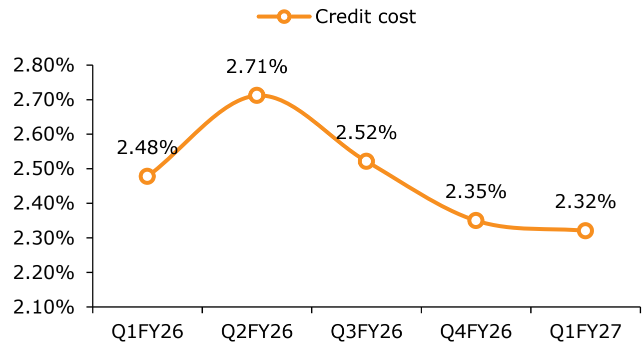
Source: Company, Emkay Research

Exhibit 10: Core opex stable at 3.8%



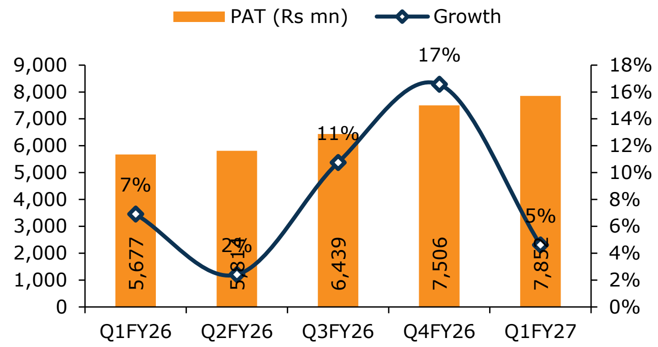
Source: Company, Emkay Research

Exhibit 11: Credit cost continues to improve



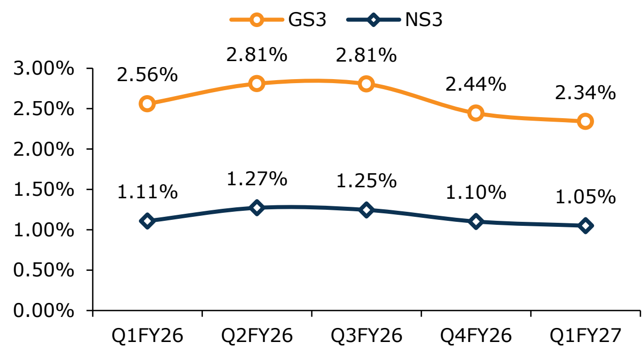
Source: Company, Emkay Research

Exhibit 12: PAT above our and street estimates



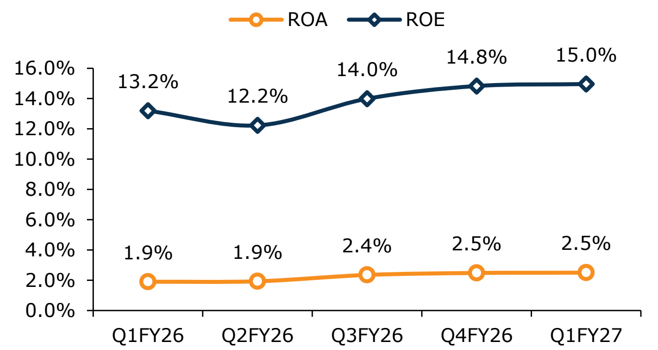
Source: Company, Emkay Research

Exhibit 13: Asset quality improves significantly qoq



Source: Company, Emkay Research

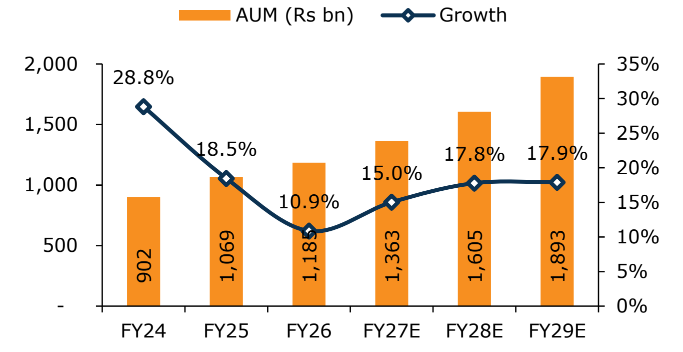
Exhibit 14: Profitability improves due to improving margins and moderating credit cost



Source: Company, Emkay Research; Note: Excluding the impact of new labor codes

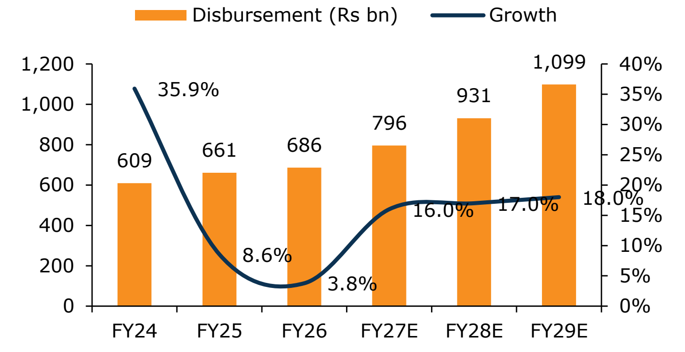
Story in charts

Exhibit 15: AUM expected to grow ~17-18% over FY27-29E



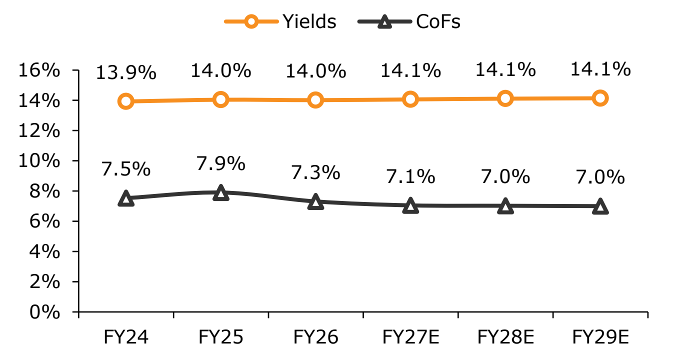
Source: Company, Emkay Research

Exhibit 16: Disbursement expected to pick up



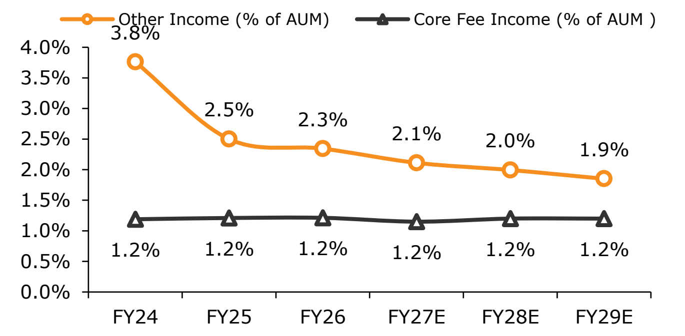
Source: Company, Emkay Research

Exhibit 17: Stable yields and moderating cost of borrowing



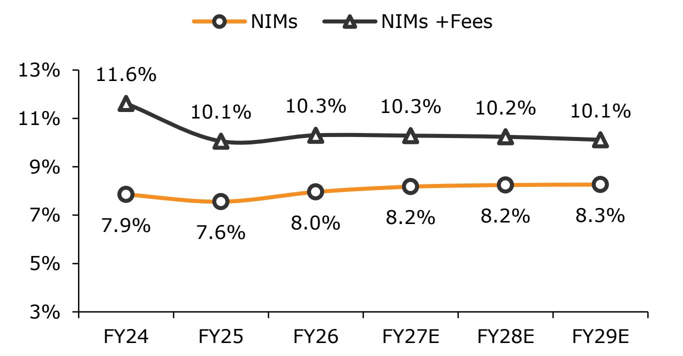
Source: Company, Emkay Research

Exhibit 18: Core fee income to improve over FY27-29E



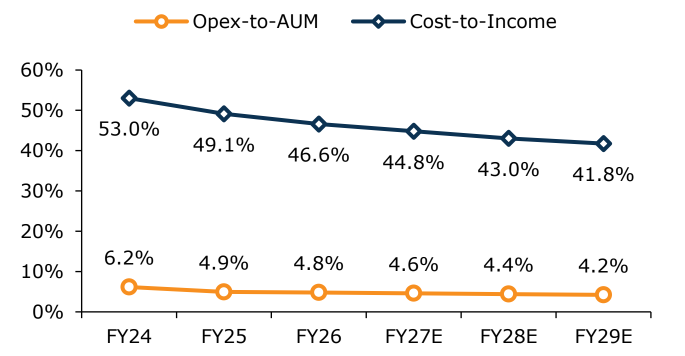
Source: Company, Emkay Research

Exhibit 19: Margin improvement led by moderating COFs and improving yields



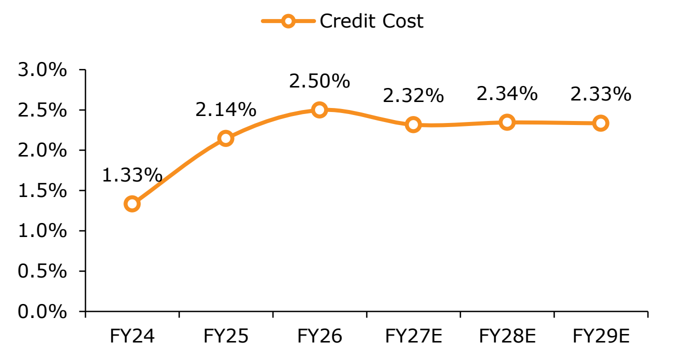
Source: Company, Emkay Research

Exhibit 20: Opex to moderate as efficiency improves



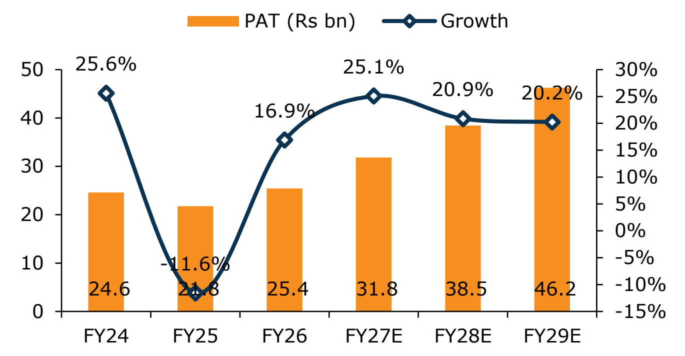
Source: Company, Emkay Research

Exhibit 21: Credit cost expected to improve going forward



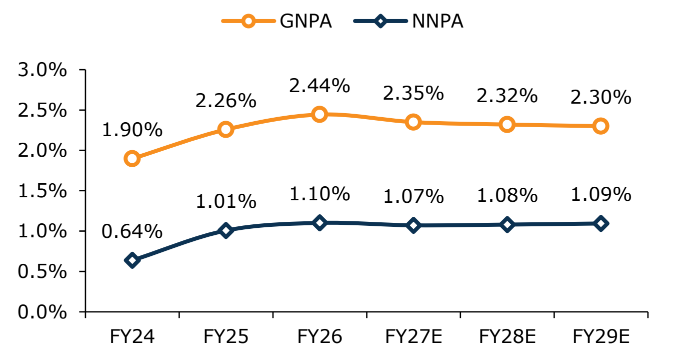
Source: Company, Emkay Research

Exhibit 22: PAT growth of >20% during FY28-29E



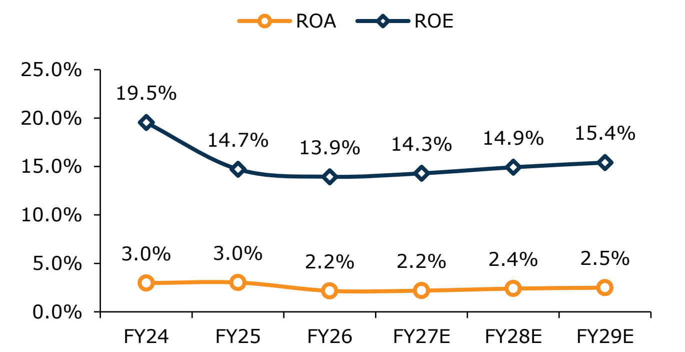
Source: Company, Emkay Research

Exhibit 23: Asset quality to improve on account of prudent underwriting



Source: Company, Emkay Research

Exhibit 24: Profitability improvement led by moderating credit cost and improved efficiency



Source: Company, Emkay Research

Earnings call highlights

- Domestic economic momentum remained healthy and resilient despite concerns surrounding the West Asia conflict. However, potential supply chain disruptions and El Niño-related risks remain key monitorable.
- Enterprise lending: 1Q disbursements grew ~14% yoy, with the mortgage book expanding ~13.2% yoy and the gold loan book doubling yoy, supported by ~500 GL branches. Unsecured business loan disbursements accelerated late in the quarter, and with healthy portfolio quality and collections, the management expects positive momentum to continue across the vertical.
- Asset Finance: The commercial vehicle and construction equipment books grew ~10.1% and ~8% yoy, respectively, supported by last-mile mobility demand, though monsoon remains a key monitorable. To improve risk-adjusted returns, the management has taken specific steps to calibrate the portfolio mix, including rejigging customer acquisition strategies, building a moat in used products, and reducing high-value, low-yield segments like tractor trailers and high-end commercial vehicles. While this transition impacted the overall book value, it successfully drove higher volumes. Supported by targeted on-ground actions since January and AI initiatives in collections that have driven sequential improvement in Stage 3 assets, the company remains focused on accelerating growth across these desired portfolios in the coming quarters.
- Consumer Finance: The segment delivered a strong quarter, with the overall book growing ~7.5% qoq and ~21% yoy. The consumer durables book expanded over 50% yoy, driven by deeper distribution penetration and seasonal demand for compressor products, while the auto loan book grew ~21% yoy with healthy value and volume growth. The management expects this positive momentum to continue on the back of sustained demand.
- The company highlighted its strong presence in the consumer durables business, supported by a deep distribution network of ~160,000 retail touchpoints across 1,200+ cities. Further, it maintains strategic partnerships with over 150 manufacturers to drive product sales through targeted seasonal and year-round promotional schemes.
- The company is consolidating all its AI transformation journeys under a single umbrella named "Shikhar" to shift from transactional engagements to managing the entire customer lifecycle. This AI-first design spans onboarding, intelligent servicing, predictive personalized offerings, and collection automation, with recent initiatives in collections already delivering improvements in bounce rates and turnaround time.
- The management indicated that collection efficiency and check bounce trends remain well under control, supported by targeted on-ground initiatives and AI integration that have improved bounce rates and turnaround times.
- The MFI portfolio remains a small pilot aimed at understanding the rural market without putting stress on the income statement. For BL, the management has implemented new on-ground initiatives since March and expects to see positive traction starting in 2Q, with both disbursements and overall book growth projected to meaningfully accelerate from 3Q onwards.
- The management maintained its NIM target at +8% and remains primarily focused on consistently delivering a 2.5% ROA (some impact will be there on a quarterly basis as mix changes). The cost of funds is expected to remain range-bound, supported by a strong liquidity position with a current ratio of ~1.3, which provides ample flexibility to utilize short-term funding options if needed.
- CV freight rates are stable, and recent fuel price hikes have not materially impacted HDB's customer segment. The company has minimal exposure to large fleet owners and a retail customer base that operates largely on per-day rental contracts, significantly reducing direct sensitivity to fuel costs.
- **Guidance:**
  - Aspiration growth guidance of 18%
  - Target for NIM is to maintain it above 8%
  - Credit cost on a steady state to be ~2.3%
  - ROA target of 2.5%

HDB Financial Services: Standalone Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	138,358	157,883	179,130	209,424	247,244
Interest Expense	63,902	68,202	74,976	87,078	102,703
Net interest income	**74,456**	**89,681**	**104,154**	**122,346**	**144,541**
NII growth (%)	18.3	20.4	16.1	17.5	18.1
Non interest income	24,645	26,414	26,898	29,600	32,380
Total income	**99,101**	**116,095**	**131,052**	**151,946**	**176,921**
Operating expenses	48,692	54,085	58,724	65,396	73,875
PPOP	**50,409**	**62,010**	**72,327**	**86,550**	**103,046**
PPOP growth (%)	15.3	23.0	16.6	19.7	19.1
Provisions & contingencies	21,130	28,148	29,508	34,794	40,820
PBT	**29,279**	**33,862**	**42,819**	**51,756**	**62,226**
Extraordinary items	0	0	0	0	0
Tax expense	7,519	8,426	11,005	13,301	15,992
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	**21,760**	**25,436**	**31,815**	**38,454**	**46,234**
PAT growth (%)	(11.6)	16.9	25.1	20.9	20.2
Adjusted PAT	**21,760**	**25,436**	**31,815**	**38,454**	**46,234**
Diluted EPS (Rs)	**27.4**	**31.3**	**38.3**	**46.3**	**55.7**
Diluted EPS growth (%)	(11.8)	14.2	22.5	20.9	20.2
DPS (Rs)	**0**	**0**	**0**	**0**	**0**
Dividend payout (%)	**0**	**0**	**0**	**0**	**0**
Effective tax rate (%)	25.7	24.9	25.7	25.7	25.7
Net interest margins (%)	7.6	8.0	8.2	8.2	8.3
Cost-income ratio (%)	49.1	46.6	44.8	43.0	41.8
PAT/PPOP (%)	43.2	41.0	44.0	44.4	44.9
Shares outstanding (mn)	795.8	830.3	830.3	830.3	830.3

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	7,958	8,303	8,303	8,303	8,303
Reserves & surplus	150,239	198,337	230,152	268,606	314,840
Net worth	**158,197**	**206,640**	**238,455**	**276,909**	**323,143**
Borrowings	**873,977**	**992,301**	**1,134,674**	**1,344,418**	**1,589,954**
Other liabilities & prov.	**54,459**	**37,574**	**43,345**	**47,406**	**51,349**
Total liabilities & equity	**1,086,633**	**1,236,515**	**1,416,474**	**1,668,733**	**1,964,446**
Net loans	1,033,430	1,146,895	1,320,266	1,554,489	1,833,554
Investments	20,601	37,476	41,224	45,346	49,881
Cash, other balances	9,505	12,461	15,746	25,234	32,409
Interest earning assets	**1,063,536**	**1,196,832**	**1,377,236**	**1,625,069**	**1,915,843**
Fixed assets	7,028	7,082	8,144	9,366	10,771
Other assets	16,069	32,601	31,094	34,298	37,832
Total assets	**1,086,633**	**1,236,515**	**1,416,474**	**1,668,733**	**1,964,446**
BVPS (Rs)	199.1	254.2	287.2	333.5	389.2
Adj. BVPS (INR)	199.1	254.2	287.2	333.5	389.2
Gross loans	1,068,776	1,184,930	1,362,972	1,605,275	1,892,802
Total AUM	**1,068,776**	**1,184,930**	**1,362,972**	**1,605,275**	**1,892,802**
On balance sheet	1,068,776	1,184,930	1,362,972	1,605,275	1,892,802
Off balance sheet	0	0	0	0	0
Disbursements	661,075	686,090	795,864	931,161	1,098,770
Disbursements growth (%)	8.6	3.8	16.0	17.0	18.0
Loan growth (%)	19.2	11.0	15.1	17.7	18.0
AUM growth (%)	18.5	10.9	15.0	17.8	17.9
Borrowings growth (%)	17.6	13.5	14.3	18.5	18.3
Book value growth (%)	14.8	27.6	13.0	16.1	16.7

Source: Company, Emkay Research

Asset quality and other metrics

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
GNPL - Stage 3	24,137	28,960	32,030	37,242	43,534
NNPL - Stage 3	10,631	12,880	14,413	17,131	20,461
GNPL ratio - Stage 3 (%)	2.3	2.4	2.4	2.3	2.3
NNPL ratio - Stage 3 (%)	1.0	1.1	1.1	1.1	1.1
ECL coverage - Stage 3 (%)	56.0	55.5	55.0	54.0	53.0
ECL coverage - 1 & 2 (%)	2.1	1.9	1.9	2.0	2.0
Gross slippage - Stage 3	-	-	-	-	-
Gross slippage ratio (%)	-	-	-	-	-
Write-off ratio (%)	2.1	2.3	2.0	1.8	1.9
Total credit costs (%)	2.1	2.5	2.3	2.3	2.3
NNPA to networth (%)	6.7	6.2	6.0	6.2	6.3
Capital adequacy					
Total CAR (%)	19.2	20.7	20.2	19.5	18.8
Tier-1 (%)	14.7	16.6	16.7	16.4	16.3
Miscellaneous					
Total income growth (%)	6.5	17.1	12.9	15.9	16.4
Opex growth (%)	(1.3)	11.1	8.6	11.4	13.0
PPOP margin (%)	5.1	5.5	5.7	5.8	5.9
Credit costs-to-PPOP (%)	41.9	45.4	40.8	40.2	39.6
Loan-to-Assets (%)	95.1	92.8	93.2	93.2	93.3
Yield on loans (%)	14.0	14.0	14.1	14.1	14.1
Cost of funds (%)	7.9	7.3	7.1	7.0	7.0
Spread (%)	6.1	6.7	7.0	7.1	7.1

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	27.4	24.0	19.6	16.2	13.5
P/B (x)	3.8	3.0	2.6	2.3	1.9
P/ABV (x)	3.8	3.0	2.6	2.3	1.9
P/PPOP (x)	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	0	0	0	0	0
Dupont-RoE split (%)					
NII/avg AUM	7.6	8.0	8.2	8.2	8.3
Other income	2.5	2.3	2.1	2.0	1.9
Securitization income	-	-	-	-	-
Opex	4.9	4.8	4.6	4.4	4.2
Employee expense	3.7	3.5	3.3	3.1	2.9
PPOP	**5.1**	**5.5**	**5.7**	**5.8**	**5.9**
Provisions	2.1	2.5	2.3	2.3	2.3
Tax expense	0.8	0.7	0.9	0.9	0.9
RoAUM (%)	**2.2**	**2.3**	**2.5**	**2.6**	**2.6**
Leverage ratio (x)	6.7	6.2	5.7	5.8	5.8
RoE (%)	**14.7**	**13.9**	**14.3**	**14.9**	**15.4**

Quarterly data

Rs mn, Y/E Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
NII	20,918	21,925	22,850	23,988	25,087
NIM (%)	7.7	7.9	8.1	8.2	8.4
PPOP	14,022	15,305	15,725	16,958	17,522
PAT	5,677	5,814	6,439	7,506	7,852
EPS (Rs)	7.13	7.01	7.76	9.04	9.46

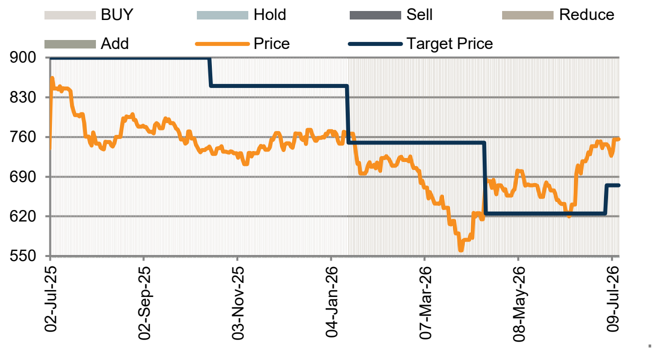
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
05-Jul-26	747	675	Reduce	Avinash Singh
16-Apr-26	686	625	Reduce	Avinash Singh
17-Mar-26	645	750	Reduce	Avinash Singh
15-Jan-26	764	750	Reduce	Avinash Singh
06-Jan-26	769	850	Buy	Avinash Singh
16-Oct-25	737	850	Buy	Avinash Singh
06-Oct-25	746	900	Buy	Avinash Singh
16-Jul-25	815	900	Buy	Avinash Singh
02-Jul-25	841	900	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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