

HDBFS posted an overall weak Q2FY26, with AUM growth (13% YoY), asset quality (GS3 +25bps QoQ to 2.81%), and credit cost (2.7%) coming in worse than consensus' and our estimates. The management pinned the reason of the poor show in Q2 to the CV/CE segments that saw increased stress due to heavy monsoon-led excessive idle time of vehicles (35% vs 20%). MSME The overall segment saw stabilization. Per the management's assessment, growth and asset quality bottomed out in Q2; H2 should see (already started) an improvement, supported by good monsoons and festive-season demand, and credit costs should normalize downward. Margins in the quarter improved by ~20bps QoQ mainly on account of CoF moderation. Beyond the H2 recovery, the mgmt remains confident of its ability to deliver steady growth (~18-20% CAGR over 3-5 years) with contained credit costs (~2.2%) ahead. Factoring in the Q2FY26 developments and management commentary, we marginally trim FY26E/28E AUM growth by ~1%/2.5%, and slightly increase our credit cost estimate by ~20bps which results in an EPS cut of 6-8% over FY26-28E. We maintain BUY on the stock while revising down Sep-26E target price by ~6% to Rs850 (Rs900 earlier), implying FY27E P/B of 2.8x.

CV/CE segment problems drive an all-around weak show

HDBFS reported a softer quarter in terms of AUM growth, credit cost, and asset quality, while NIM and opex were sequentially better. The muted disbursement and AUM growth are owing to continued stress in some segments (especially CV and CE), which are a major contributor to credit cost. Disbursement for the quarter stood at ~Rs155bn (muted YoY; ~3% growth QoQ), resulting in AUM growing 2%/13% QoQ/YoY to Rs1.1trn. NIM expanded by ~20bps mainly on account CoF moderation. Credit cost for the quarter stood at ~2.7% (vs 2.5% in Q1FY26), largely due to stress in the CV/CE segments, while other asset classes were steady along with MSE and USL. Overall asset quality slightly declined, with GS3 inching up by ~25bps, while a healthy PCR of ~55%.

With early signs of improvement, the mgmt remains hopeful of a better H2FY26

The mgmt indicated that it is seeing some early signs of credit demand growth across the segment (barring CV) in early-Q3FY26 and expects the trend to continue, along with recovery in the CV segment. The management expects H2 to see better growth, along with improvement in credit cost led by a good monsoon, strong festive demand, and overall macro improvement. It expects to deliver a steady growth of ~18-2% over the next 3-5 years with credit cost being contained at ~2.2%; it also indicated that the growth will be across products, with consumer finance growing at a faster pace.

Factoring in the Q2FY26 update, we maintain BUY while reducing TP to Rs850

Factoring in the Q2FY26 developments and management commentary, we marginally adjust FY26-28E EPS downward by 6-8% which results in a ~15-20bps cut in RoA. We reiterate BUY on the stock with a revised down Sep-26E TP by 5.6% to Rs850, implying FY27E P/B of 2.8x.

Target Price – 12M	Sep-26
Change in TP (%)	(5.6)
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	14.4

Stock Data	HDBFS IN
52-week High (Rs)	892
52-week Low (Rs)	728
Shares outstanding (mn)	829.6
Market-cap (Rs bn)	617
Market-cap (USD mn)	7,002
Net-debt, FY26E (Rs mn)	NA
ADTV-3M (mn shares)	0
ADTV-3M (Rs mn)	1,344.2
ADTV-3M (USD mn)	15.3
Free float (%)	0.0
Nifty-50	25,323.6
INR/USD	88.1

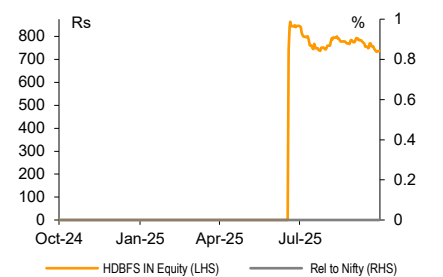
Shareholding,

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

Price Performance

(%)	1M	3M	12M
Absolute	(5.6)	(11.6)	0.0
Rel. to Nifty	(6.5)	(12.1)	0.0

1-Year share price trend (Rs)



HDB Financial Services: Financial Snapshot (Consolidated)

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net profits	24,608	21,760	25,774	33,817	41,755
AUM growth (%)	28.8	18.5	16.8	18.2	19.4
NII growth (%)	16.2	18.3	24.3	19.8	18.9
NIMs (%)	7.9	7.6	8.0	8.1	8.1
PPOP growth (%)	10.5	15.3	22.5	22.8	20.9
Adj. EPS (Rs)	31.0	27.3	31.1	40.8	50.3
Adj. EPS growth (%)	25.3	(11.9)	13.6	31.2	23.5
Adj. BV (INR)	173.3	198.8	251.9	292.7	343.0
Adj. BVPS growth (%)	19.9	14.7	26.7	16.2	17.2
RoA (%)	3.0	2.2	2.2	2.4	2.5
RoE (%)	19.5	14.7	13.6	15.0	15.8
P/E (x)	24.0	27.2	23.9	18.2	14.8
P/ABV (x)	4.3	3.7	3.0	2.5	2.2

Source: Company, Emkay Research

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Exhibit 1: Actual vs Estimates

HDBFS - Q2FY26 result update

(Rs mn)	Q2 FY25	Q3 FY25	Q4 FY25	Q1FY26	Q2FY26	YoY	QoQ	Q2FY26E	Variation	Consensus
Business Assets	986,240	1,020,970	1,068,780	1,093,420	1,114,090	13.0%	1.9%	1,126,223	-1.1%	
Disbursement	156,850	162,730	176,430	151,710	155,990	-0.5%	2.8%	154744.2	0.8%	
NII	18,325	18,721	19,728	20,918	21,925	19.6%	4.8%	21,706	1.0%	
Total Income	24,083	24,988	26,156	27,257	28,514	18.4%	4.6%	28,460	0.2%	
PPoP	12,301	12,765	13,381	14,022	15,305	24.4%	9.1%	14,662	4.4%	14,543 5.2%
Provisions	4,310	6,357	6,338	6,697	7,483	73.6%	11.7%	6,724	11.3%	
PBT	7,991	6,408	7,043	7,325	7,822	-2.1%	6.8%	7,938	-1.5%	
PAT	5,910	4,723	5,310	5,677	5,814	-1.6%	2.4%	5,898	-1.4%	6,009 -3.2%
NIMs+ Fees	9.9%	10.0%	10.0%	10.1%	10.3%	42bps	25bps	10%	8bps	
Credit cost	1.77%	2.53%	2.43%	2.48%	2.71%	94bps	23bps	2.42%	29bps	
GS3	2.10%	2.26%	2.25%	2.56%	2.81%	71bps	25bps	2.50%	31bps	
NS3	0.84%	0.90%	0.99%	1.11%	1.27%	44bps	16bps	1.12%	16bps	

Source: Company, Emkay Research

Exhibit 2: Change in estimates

Y/e Mar (Rs mn)	FY26E			FY27E			FY28E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
AUM	1,257,144	1,248,331	-0.7%	1,500,686	1,475,128	-1.7%	1,808,122	1,760,776	-2.6%
Disbursement	760,236	760,236	0.0%	897,079	881,874	-1.7%	1,085,465	1,040,611	-4.1%
Net interest income	92,869	92,515	-0.4%	112,246	110,848	-1.2%	134,722	131,755	-2.2%
Total Income	116,079	115,679	-0.3%	137,516	135,929	-1.2%	162,905	159,519	-2.1%
PPOP	62,082	61,728	-0.6%	77,088	75,812	-1.7%	94,138	91,633	-2.7%
Provisions	25,090	27,039	7.8%	27,811	30,298	8.9%	32,827	35,435	7.9%
PBT	36,992	34,689	-6.2%	49,277	45,514	-7.6%	61,312	56,198	-8.3%
PAT	27,485	25,774	-6.2%	36,613	33,817	-7.6%	45,554	41,755	-8.3%
EPS (Rs)	33.1	31.1	-6.2%	44.1	40.8	-7.6%	54.9	50.3	-8.3%
BVPS (Rs)	254	252	-0.8%	298	293	-1.8%	353	343	-2.8%
Networth	210,682	208,971	-0.81%	247,295	242,788	-1.82%	292,849	284,543	-2.84%
NIMs	7.99%	7.99%	0bps	8.14%	8.14%	0bps	8.14%	8.14%	0bps
NIM + Fees	9.98%	9.98%	0bps	9.97%	9.98%	1bps	9.85%	9.86%	1bps
Cost-to-Income	46.52%	46.64%	12bps	43.94%	44.23%	28bps	42.21%	42.56%	34bps
Adj. Cost-to-income ratio	41.82%	41.94%	11bps	40.24%	40.49%	26bps	39.35%	39.64%	30bps
Opex-to-AUM	4.64%	4.66%	1bps	4.38%	4.41%	3bps	4.16%	4.20%	4bps
Adj Opex-to-AUM	3.80%	3.81%	1bps	3.74%	3.77%	2bps	3.68%	3.70%	3bps
Loan book growth	17.62%	16.80%	-82bps	19.37%	18.17%	-120bps	20.49%	19.36%	-112bps
Disbursement growth	15.00%	15.00%	0bps	18.00%	16.00%	-200bps	21.00%	18.00%	-300bps
Credit costs	2.16%	2.33%	18bps	2.02%	2.22%	21bps	1.98%	2.19%	21bps
ROA	2.32%	2.18%	-14bps	2.61%	2.44%	-17bps	2.71%	2.54%	-17bps
ROE	14.4%	13.6%	-84bps	16.0%	15.0%	-102bps	16.9%	15.8%	-103bps

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Exhibit 3: Valuation matrix

			P/BV (x)			P/E (x)			RoA (%)			RoE (%)			Book Value (Rs/sh)			EPS (Rs)		
	Price (Rs)	Upside	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
At CMP	743	14%	2.9	2.5	2.1	21.4	16.4	13.3	2.4	2.6	2.7	15.0	16.3	17.0	255.5	301.0	356.9	34.7	45.4	55.9
AT TP	850		3.3	2.8	2.4	24.5	18.7	15.2												

Source: Company, Emkay Research

Exhibit 4: Quarterly earnings snapshot

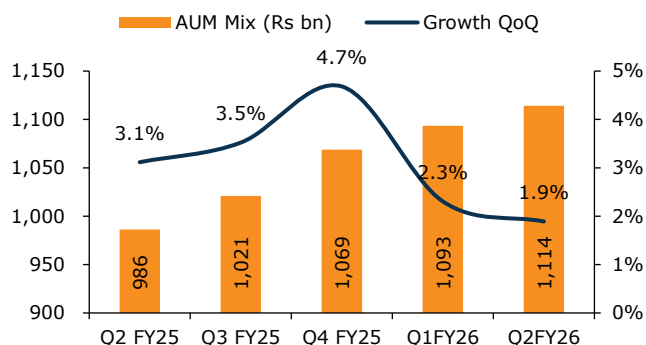
Quarterly Earnings Summary	Q2 FY25	Q3 FY25	Q4 FY25	Q1FY26	Q2FY26	YoY	QoQ
Interest Income	34,310	35,169	36,233	38,315	38,865	13.3%	1.4%
Interest Expenses	15,985	16,448	16,505	17,397	16,940	6.0%	-2.6%
Net Interest Income	18,325	18,721	19,728	20,918	21,925	19.6%	4.8%
Other Income	5,758	6,267	6,428	6,339	6,589	14.4%	3.9%
Income	24,083	24,988	26,156	27,257	28,514	18.4%	4.6%
Operating Expenses	11,782	12,223	12,775	13,235	13,209	12.1%	-0.2%
Operating Profit	12,301	12,765	13,381	14,022	15,305	24.4%	9.1%
Provisions	4,310	6,357	6,338	6,697	7,483	73.6%	11.7%
Credit cost (on avg. Business Assets)	1.77%	2.53%	2.43%	2.48%	2.71%	94bps	23bps
PBT	7,991	6,408	7,043	7,325	7,822	-25.1%	6.8%
Tax	2,081	1,685	1,733	1,648	2,008	-3.5%	21.8%
Reported PAT	5,910	4,723	5,310	5,677	5,814	-1.6%	2.4%
Networth (approx)	148,794	153,242	158,197	186,988	193,382	30.0%	3.4%
AUM	986,240	1,020,970	1,068,780	1,093,420	1,114,090	13.0%	1.9%
Disbursements	156,850	162,730	176,430	151,710	155,990	-0.5%	2.8%
GS3	2.10%	2.26%	2.25%	2.56%	2.81%	71bps	25bps
NS3	0.84%	0.90%	0.99%	1.11%	1.27%	44bps	16bps
PCR	60.69%	60.02%	55.95%	56.70%	54.73%	-596bps	-197bps
ROA	2.40%	1.80%	2.00%	1.90%	1.93%	-47bps	3bps
ROE	16.20%	12.50%	13.60%	13.20%	12.23%	-397bps	-97bps

Source: Company, Emkay Research

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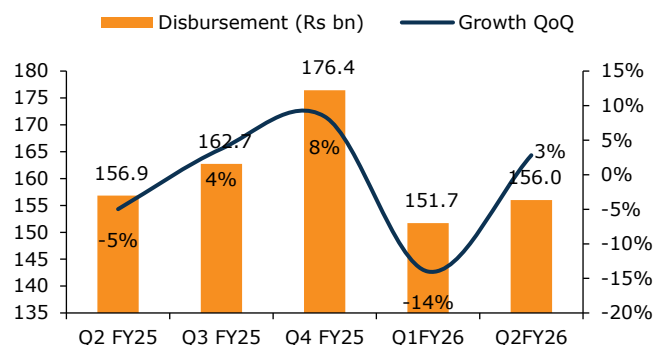
Result in charts

Exhibit 5: Softer AUM growth on account of stress in some segments



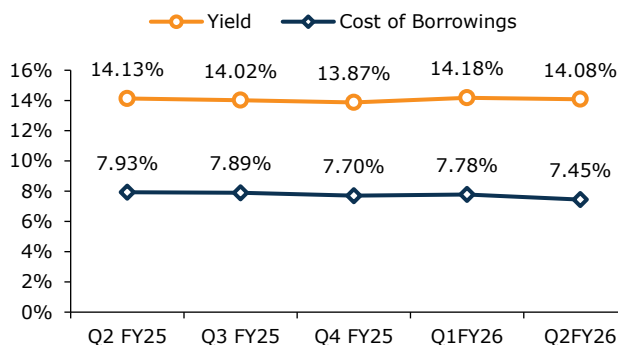
Source: Company, Emkay Research

Exhibit 6: Sequential improvement seen in the Enterprise business and Asset Finance segment



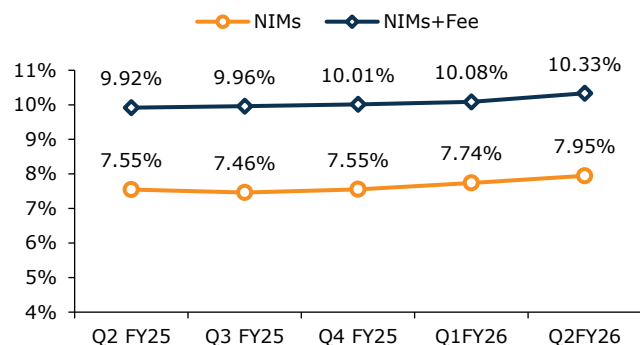
Source: Company, Emkay Research

Exhibit 7: CoF moderation on account of rate cut



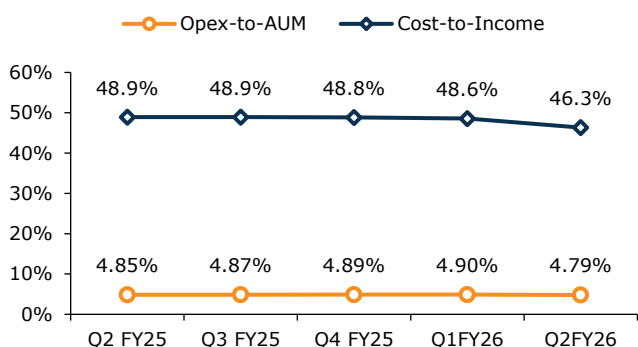
Source: Company, Emkay Research

Exhibit 8: Margin improvement led by moderating CoFs



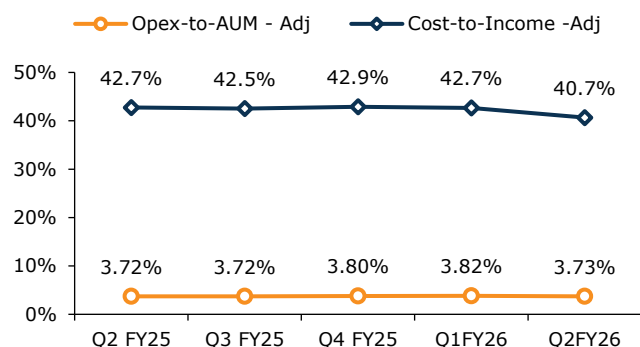
Source: Company, Emkay Research

Exhibit 9: Opex ratio stable



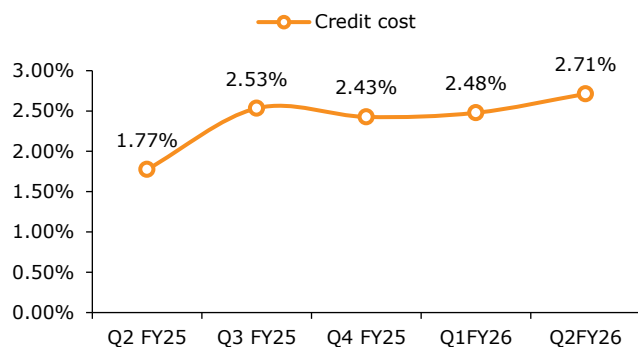
Source: Company, Emkay Research

Exhibit 10: Core opex marginally improves

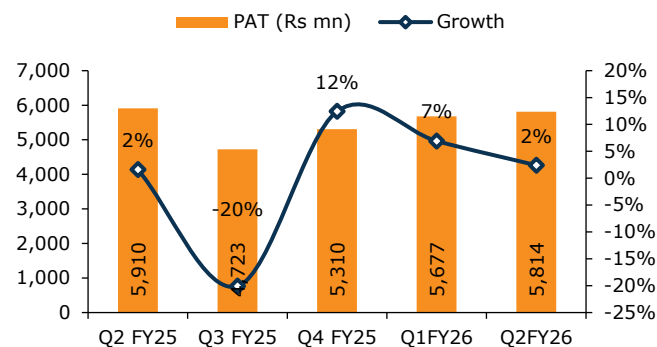


Source: Company, Emkay Research

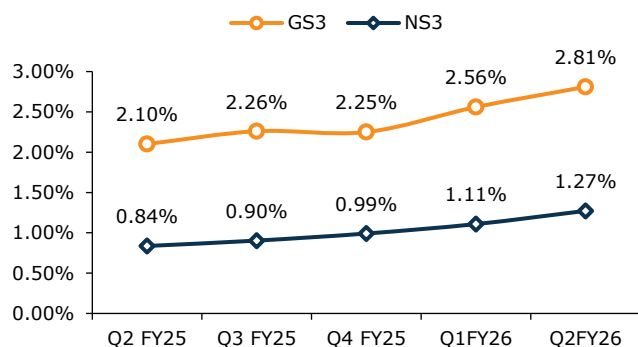
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Exhibit 11: Credit cost remains elevated

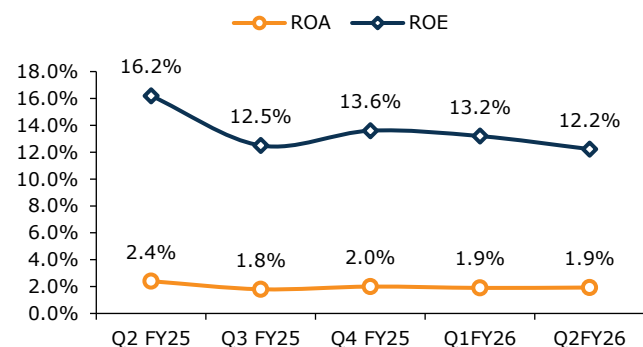
Source: Company, Emkay Research

Exhibit 12: PAT in line with expectations

Source: Company, Emkay Research

Exhibit 13: Asset quality impacted by elevated stress in some segments

Source: Company, Emkay Research

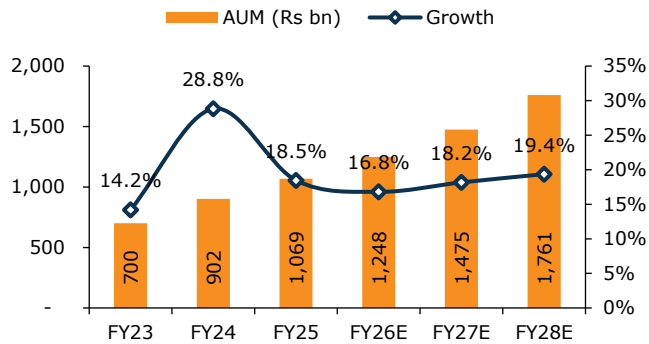
Exhibit 14: Profitability impacted by higher credit costs

Source: Company, Emkay Research

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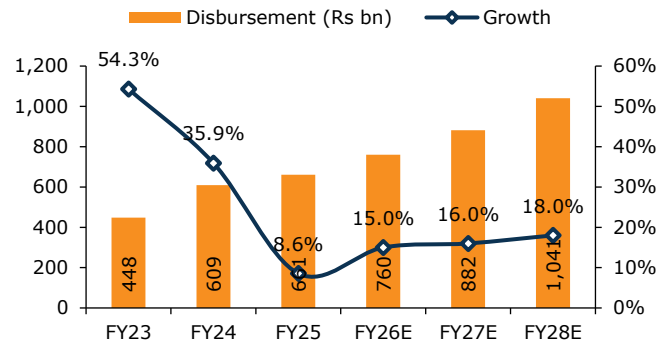
Story in charts

Exhibit 15: AUM expected to grow ~18% over FY26-28E



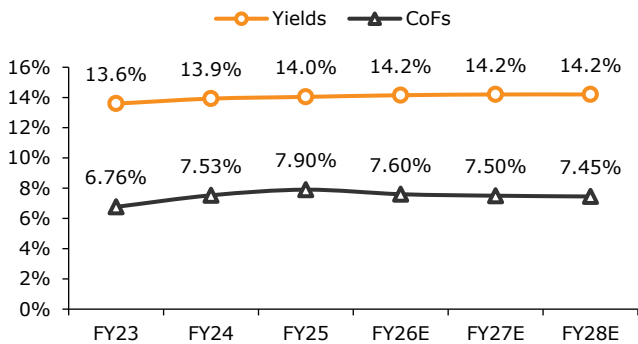
Source: Company, Emkay Research

Exhibit 16: Some slowdown in the vehicle segment hits disbursement in the near term



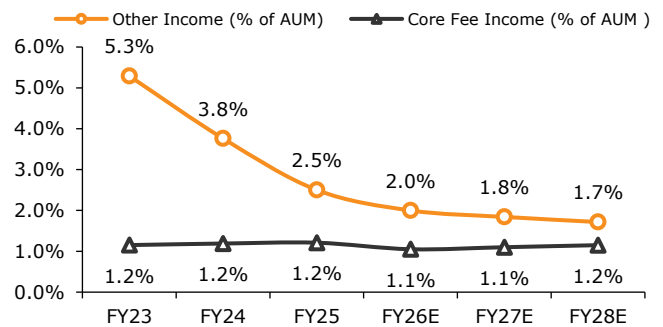
Source: Company, Emkay Research

Exhibit 17: Stable yields and moderating cost of borrowing



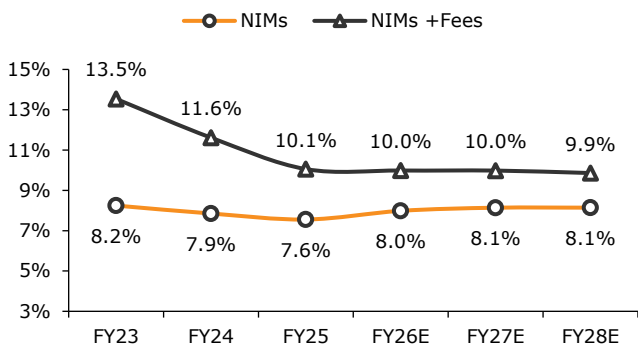
Source: Company, Emkay Research

Exhibit 18: Core fee income to improve over FY26-28E



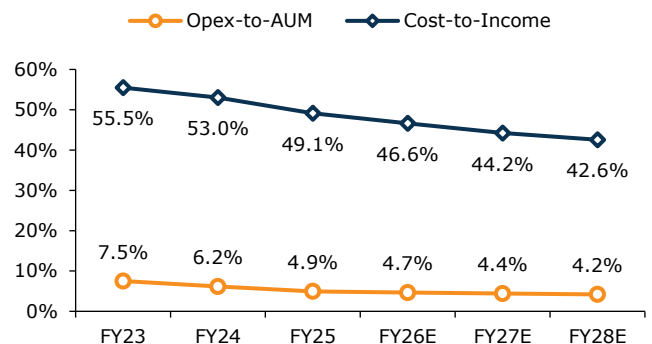
Source: Company, Emkay Research

Exhibit 19: Margin improvement led by moderating CoFs



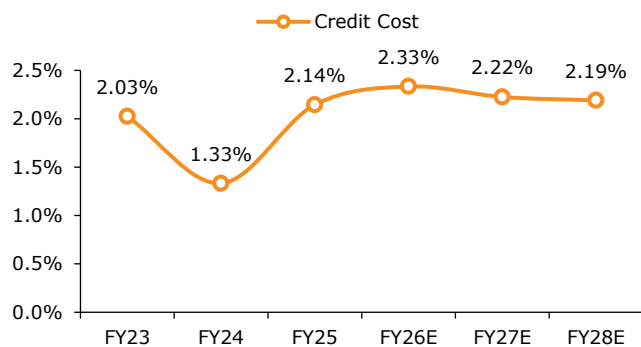
Source: Company, Emkay Research

Exhibit 20: Opex to moderate as efficiency improves

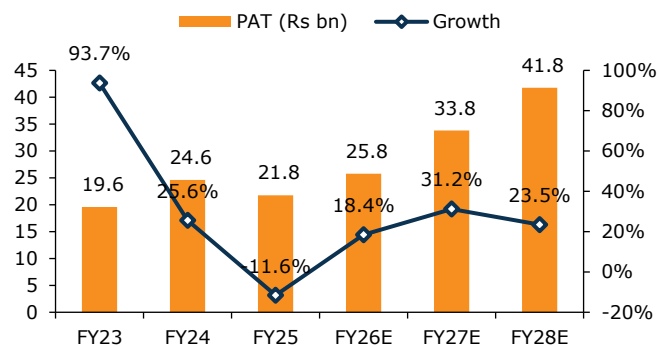


Source: Company, Emkay Research

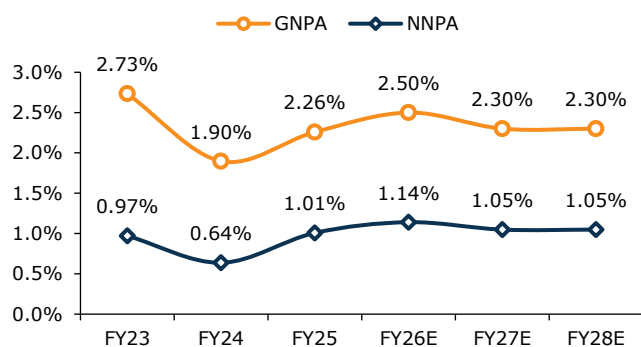
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Exhibit 21: Credit cost to remain elevated in the near term, led by segmental stress

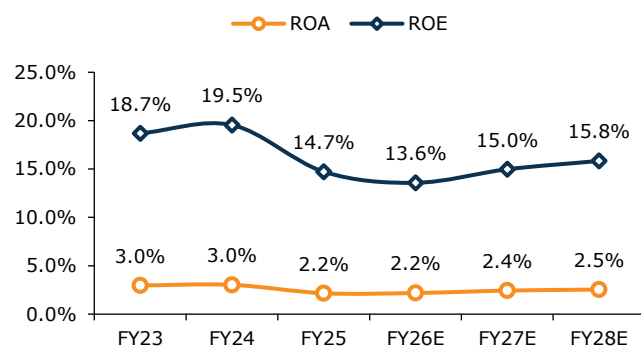
Source: Company, Emkay Research

Exhibit 22: PAT growth of above 20% in FY27-28E

Source: Company, Emkay Research

Exhibit 23: Broadly stable asset quality

Source: Company, Emkay Research

Exhibit 24: Profitability to improve as near term stress in some segments eases

Source: Company, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

Earnings call highlights

- The company's customer base grew to 21mn in Q2FY26, up 4% sequentially, underscoring its expanding retail franchise. The loan book stood at Rs1.11tn, up 13% YoY and 2% QoQ, with a well-balanced portfolio mix — 73% secured and 27% unsecured.
- In Enterprise Lending, growth remained measured as the company maintained caution on unsecured business loans, which had been deliberately slowed over the past few quarters. The management reiterated that this book would be scaled up gradually as asset quality stabilizes. The Loan Against Property (LAP) portfolio remained steady and low on credit cost, with an average ticket size of around Rs2.5mn and negligible exposure to the micro-LAP segment (sub Rs1mn loans). Meanwhile, the gold loan business continued its strong traction, growing 40% YoY and 10% QoQ, supported by regulatory clarity and favorable gold prices.
- In Asset Finance, the commercial vehicle (CV) portfolio was impacted by seasonally weak demand and heavy monsoons, particularly in the northern and eastern regions. Flood-like conditions led to extended vehicle idling — roughly 35% versus the usual 20% — and caused temporary stress in the segment. Demand was also deferred, due to the GST rate rationalization. However, the management expects a rebound in Q3, aided by festive activity, improving utilization, and government-led infrastructure push. The focus remains on smaller and used CVs (used CVs form 9% and new CVs 16%, of the book), while exposure to HCVs is being kept within limits.
- The Consumer Finance segment saw moderate growth during the quarter, as some demand was deferred in anticipation of GST cuts. However, early trends in October suggest that demand has revived strongly across consumer durables, two-wheelers, and auto loans. The management expects this momentum to sustain through Q3 and Q4, supported by a good monsoon and festive spending.
- Asset quality excluding CV and construction equipment segments was stable. Gross Stage 3 assets inched up, to 2.81% (from 2.56% in Q1FY26), largely driven by seasonal factors, while the provision coverage ratio stood at ~55%. MSME and LAP portfolios remained resilient. The management reiterated that overall credit cost, which stood at 2.7% in Q2, should begin moderating from Q3 and stabilize at ~2.2% over a 3-5-year horizon.
- Margins continued their positive trend, improving to 7.9% (vs 7.7% in Q1FY26) on the back of yield optimization and lower cost of funds. Funding remains well-diversified, with a positive ALM gap across all maturity buckets up to five years.
- On the cost front, operating efficiency improved further, with the cost-to-income declining to 40.7% (from 42.7% in Q1). The company aims to maintain this ratio in the ~41–42% range and keep cost-to-assets at 3.6–3.7%.
- The Relationship Personal Loan product is a pre-approved, cross-sell offering for existing customers and continues to scale up rapidly, having clocked CAGR of ~40% over the past four years. It now forms around 8% of the overall book, with most customers coming from the consumer finance base, although some overlap exists with CV and construction equipment borrowers as well.
- Looking ahead, the management expects the consumer finance segment to grow faster, with its share rising gradually over the next few years, supported by rising rural and semi-urban consumption. The CV portfolio should normalize as idling reduces and demand revives, while enterprise lending and gold loans are expected to deliver steady growth.
- Guidance and Outlook
 - Credit cost expected to normalize at ~2.2% over a 3-5-year horizon.
 - AUM CAGR to sustain at 18-20% in the medium term.
 - NIMs to remain within the 7.9-8% range.
 - Cost-to-income to stay at around 41.5–42%; cost-to-assets at 3.6–3.7%.
 - Festive recovery and infra-driven CV demand should support a strong Q3 performance.

HDB Financial Services: Consolidated Financials and Valuations

Profit & Loss					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	111,567	138,358	163,935	193,366	229,749
Interest Expense	48,643	63,902	71,420	82,517	97,995
Net interest income	62,924	74,456	92,515	110,848	131,755
NII growth (%)	16.2	18.3	24.3	19.8	18.9
Non interest income	30,144	24,645	23,164	25,081	27,764
Total income	93,068	99,101	115,679	135,929	159,519
Operating expenses	49,347	48,692	53,951	60,117	67,886
PPOP	43,721	50,409	61,728	75,812	91,633
PPOP growth (%)	10.5	15.3	22.5	22.8	20.9
Provisions & contingencies	10,674	21,130	27,039	30,298	35,435
PBT	33,047	29,279	34,689	45,514	56,198
Extraordinary items	0	0	0	0	0
Tax expense	8,439	7,519	8,915	11,697	14,443
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	24,608	21,760	25,774	33,817	41,755
PAT growth (%)	25.6	(11.6)	18.4	31.2	23.5
Adjusted PAT	24,608	21,760	25,774	33,817	41,755
Diluted EPS (Rs)	31.0	27.3	31.1	40.8	50.3
Diluted EPS growth (%)	25.3	(11.9)	13.6	31.2	23.5
DPS (Rs)	0	0	0	0	0
Dividend payout (%)	0	0	0	0	0
Effective tax rate (%)	25.5	25.7	25.7	25.7	25.7
Net interest margins (%)	7.9	7.6	8.0	8.1	8.1
Cost-income ratio (%)	53.0	49.1	46.6	44.2	42.6
PAT/PPOP (%)	56.3	43.2	41.8	44.6	45.6
Shares outstanding (mn)	793.1	795.8	829.6	829.6	829.6

Source: Company, Emkay Research

Balance Sheet					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	7,931	7,958	8,296	8,296	8,296
Reserves & surplus	129,496	150,239	200,675	234,492	276,248
Net worth	137,427	158,197	208,971	242,788	284,543
Borrowings	743,307	873,977	1,004,906	1,194,854	1,435,032
Other liabilities & prov.	44,831	54,459	58,674	64,485	70,812
Total liabilities & equity	925,565	1,086,633	1,272,551	1,502,127	1,790,388
Net loans	867,213	1,033,430	1,206,221	1,425,870	1,701,970
Investments	33,803	20,601	22,661	24,927	27,420
Cash, other balances	6,479	9,505	18,305	22,915	29,151
Interest earning assets	907,495	1,063,536	1,247,187	1,473,712	1,758,541
Fixed assets	4,890	7,028	8,082	9,295	10,689
Other assets	13,180	16,069	17,282	19,120	21,159
Total assets	925,565	1,086,633	1,272,551	1,502,127	1,790,388
BVPS (Rs)	173.3	198.8	251.9	292.7	343.0
Adj. BVPS (INR)	173.3	198.8	251.9	292.7	343.0
Gross loans	902,179	1,068,776	1,248,331	1,475,128	1,760,776
Total AUM	902,179	1,068,776	1,248,331	1,475,128	1,760,776
On balance sheet	902,179	1,068,776	1,248,331	1,475,128	1,760,776
Off balance sheet	0	0	0	0	0
Disbursements	608,993	661,075	760,236	881,874	1,040,611
Disbursements growth (%)	35.9	8.6	15.0	16.0	18.0
Loan growth (%)	30.6	19.2	16.7	18.2	19.4
AUM growth (%)	28.8	18.5	16.8	18.2	19.4
Borrowings growth (%)	35.5	17.6	15.0	18.9	20.1
Book value growth (%)	19.9	14.7	26.7	16.2	17.2

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Asset quality					
GNPL - Stage 3	17,118	24,137	31,208	33,928	40,498
NNPL - Stage 3	5,680	10,631	14,044	15,268	18,224
GNPL ratio - Stage 3 (%)	1.9	2.3	2.5	2.3	2.3
NNPL ratio - Stage 3 (%)	0.6	1.0	1.1	1.0	1.0
ECL coverage - Stage 3 (%)	66.8	56.0	55.0	55.0	55.0
ECL coverage - 1 & 2 (%)	2.7	2.1	2.0	2.1	2.1
Gross slippage - Stage 3	-	-	-	-	-
Gross slippage ratio (%)	-	-	-	-	-
Write-off ratio (%)	1.5	2.1	1.8	1.7	1.6
Total credit costs (%)	1.3	2.1	2.3	2.2	2.2
NNPA to networth (%)	4.1	6.7	6.7	6.3	6.4
Capital adequacy					
Total CAR (%)	19.3	19.2	19.8	19.0	18.1
Tier-1 (%)	14.1	14.7	15.9	15.7	15.4
Miscellaneous					
Total income growth (%)	4.7	6.5	16.7	17.5	17.4
Opex growth (%)	0.0	(1.3)	10.8	11.4	12.9
PPOP margin (%)	5.5	5.1	5.3	5.6	5.7
Credit costs-to-PPOP (%)	24.4	41.9	43.8	40.0	38.7
Loan-to-Assets (%)	93.7	95.1	94.8	94.9	95.1
Yield on loans (%)	13.9	14.0	14.2	14.2	14.2
Cost of funds (%)	7.5	7.9	7.6	7.5	7.5
Spread (%)	6.4	6.1	6.5	6.7	6.7

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E March	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	24.0	27.2	23.9	18.2	14.8
P/B (x)	4.3	3.7	3.0	2.5	2.2
P/ABV (x)	4.3	3.7	3.0	2.5	2.2
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	7.9	7.6	8.0	8.1	8.1
Other income	3.8	2.5	2.0	1.8	1.7
Securitization income	-	-	-	-	-
Opex	6.2	4.9	4.7	4.4	4.2
Employee expense	4.8	3.7	3.4	3.2	3.0
PPOP	5.5	5.1	5.3	5.6	5.7
Provisions	1.3	2.1	2.3	2.2	2.2
Tax expense	1.1	0.8	0.8	0.9	0.9
RoAUM (%)	3.1	2.2	2.2	2.5	2.6
Leverage ratio (x)	6.4	6.7	6.3	6.0	6.1
RoE (%)	19.5	14.7	13.6	15.0	15.8

Quarterly data					
Rs mn, Y/E Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
NII	18,325	18,721	19,728	20,918	21,925
NIM (%)	7.5	7.5	7.5	7.6	7.7
PPOP	12,301	12,765	13,381	14,022	15,305
PAT	5,910	4,723	5,310	5,677	5,814
EPS (Rs)	7.44	5.93	6.67	6.84	7.01

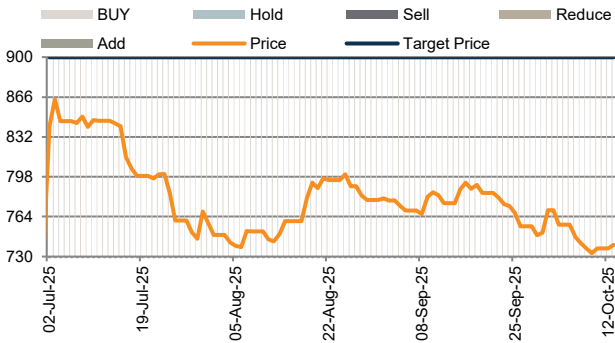
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
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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BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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