

Bajaj Finance

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	BAF IN
Equity Shares (m)	6222
M.Cap.(INRb)/(USD\$)	6751.4 / 76.1
52-Week Range (INR)	1103 / 644
1, 6, 12 Rel. Per (%)	5/19/51
12M Avg Val (INR M)	8951

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Net Income	450	539	663
PPP	300	362	448
PAT	168	203	257
EPS (INR)	27	33	41
EPS Gr. (%)	16	21	27
BV/Sh. (INR)	156	183	218

Ratios

NIM (%)	9.9	9.7	9.7
C/I ratio (%)	33.2	32.9	32.5
RoA (%)	4.0	3.9	4.0
RoE (%)	19.3	19.3	20.6
Payout (%)	20.7	16.0	15.1

Valuations

P/E (x)	40.2	33.2	26.2
P/BV (x)	7.0	5.9	5.0
Div. Yield (%)	0.5	0.5	0.6

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	54.7	54.7	54.7
DII	14.5	14.6	15.1
FII	22.1	21.7	20.9
Others	8.8	8.9	9.4

FII includes depository receipts

CMP: INR1,085

TP: INR1,160 (+7%)

Neutral

Mixed quarter with in-line earnings; minor cut in growth guidance

Weak commentary on MSME continues but credit cost guidance maintained

- Bajaj Finance (BAF)'s PAT grew 23% YoY to ~INR49.5b in 2QFY26 (in line). PAT in 1HFY26 grew at ~23% YoY and we expect PAT in 2HFY26 to grow at ~19% YoY. 2Q NII grew 22% YoY to ~INR107.8b (in line). Non-interest income stood at ~INR23.8b (up 13% YoY). Growth in other operating income moderated as recoveries from the written-off pool plateaued. The company expects non-interest income to grow by 13-15% in FY26.
- Opex rose ~18% YoY to ~INR43b (in line). PPOp stood at INR88.7b (in line), up 21% YoY. 2Q RoA/RoE stood at 4.5%/19.1%.
- 2Q NIM was broadly stable QoQ at ~9.55%. Management expects an additional ~5bp reduction in CoF in FY26, with CoF at 7.55-7.6% in FY26. However, NIMs are likely to remain broadly stable, as the company intends to pass on any CoF benefit to customers. We estimate NIM of ~9.7% each in FY26/FY27.
- Management shared that credit costs remained elevated in the captive 2W/3W and MSME portfolios, with the captive 2W/3W business (~1.5% of AUM) contributing ~8% of total loan losses in the quarter. It further shared that BAF has reduced unsecured MSME disbursements by ~25%, and expects MSME AUM growth to moderate to ~10-12% in FY26.
- Management revised its FY26 AUM growth guidance to 22-23% (from 24-25%) to reflect the growth moderation in the MSME segment and a lower growth guidance in the mortgage (BHFL) portfolio. We model AUM growth of 23%/25% in FY26/FY27E.
- While early bucket trends remain stable with 3MOB, 6MOB and 9MOB cohorts showing improvement and vintage performance progressing positively across segments, the company guided for FY26 credit costs at the upper end of the 1.85-1.95% band. However, as the captive 2W/3W portfolio continues to run down, new businesses become a higher proportion in the AUM mix, and the MSME book stabilizes, management expects credit costs to improve in 2HFY26, with a more significant improvement anticipated in FY27. We model credit costs (as a % of loans) of ~1.95%/1.8% in FY26/FY27E.
- We reduce our FY27/FY28 PAT estimates by 2-3%. We estimate a CAGR of ~24%/25% for AUM/PAT over FY25-FY28E and expect BAF to deliver RoA/RoE of ~4.2%/22% in FY28E.
- The stock trades at 5x FY27E P/BV and ~26x FY27E P/E. Despite a healthy PAT CAGR of ~25% over FY25-28E and RoA/RoE of 4.2%/22% in FY28E, we see limited upside catalysts given the rich valuations and lack of near-term valuation re-rating triggers. **Maintain our Neutral rating on the stock with a TP of INR1,160 (premised on 4.8x Sep'27E BVPS).**

AUM grew ~24% YoY; captive 2W/3W portfolio continues to decline

- Total customer franchise rose to 106.5m (up 20% YoY/4% QoQ). New customer acquisitions stood at ~4.1m (vs. ~4m YoY and ~4.7m QoQ). New loan bookings rose ~26% YoY to 12.2m.
- Total AUM grew 24% YoY and ~4.7% QoQ to INR4.62t. QoQ AUM growth was driven by gold loans (+18%), LAS (+8%), urban sales finance (+13%), consumer finance (+5%), rural finance (+11% QoQ) and commercial loans (+7%).
- Management shared that new businesses such as gold loans, new car financing, and CV and tractor financing are scaling up well and contributed ~3% of AUM growth in 2Q. These segments, along with LAP, are witnessing healthy momentum and are helping to offset the moderation in MSME and captive auto financing.

Asset quality deteriorates; credit costs to be at upper end of guidance

- Asset quality deteriorated, with GNPA rising ~18bp QoQ to ~1.24% and NS3 rising ~10bp QoQ to ~0.6%. PCR on stage 3 declined ~10bp QoQ to ~51.8%. BAF shared that the captive 2W/3W portfolio contributed ~12bp to the QoQ increase in GS3, while the MSME segment accounted for ~6bp.
- Credit costs stood at ~INR22.7b (in line). Annualized credit costs stood at 205bp (PQ: 202bp and PY: 213bp). Management shared that gold loans and new car finance continue to exhibit structurally lower credit costs. As the share of these products increases and the captive 2W/3W portfolio continues to decline, the company expects a meaningful reduction in overall credit costs in FY27.

Highlights from the management commentary

- Management shared that Mr. Manish Jain (MD of Bajaj Financial Securities) has been elevated as Deputy CEO. With this, the company will have four Deputy CEOs and three COOs forming the core executive committee.
- Even if there are further repo rate cuts, management does not expect any meaningful reduction in CoF in FY26, as such benefits would come too late in the financial year to have any material impact.
- The company targets credit costs in the non-captive 2W/3W business to be about one-third of the credit costs in the captive auto financing portfolio.

Valuation and view

- BAF reported a mixed quarter in 2QFY26. AUM rose 24% YoY and management trimmed its FY26 AUM growth guidance to 22-23%. Asset quality was impacted by stress in MSME and the captive 2W/3W portfolio, with management now expecting credit costs to remain at the upper end of the guided range. NIMs were stable and the company now expects NIMs to broadly remain at the current levels for the remainder of FY26 (vs. the earlier expectation of a ~10bp expansion in 2H).
- The stock trades at 5x FY27E P/BV and ~26x FY27E P/E. Despite a healthy PAT CAGR of ~25% over FY25-FY28E and RoA/RoE of 4.2%/22% in FY28E, we see limited upside catalysts given the rich valuations and lack of near-term valuation re-rating triggers. Consequently, we reiterate **our Neutral rating on the stock with a TP of INR1,160 (premised on 4.8x Sep'27E BVPS).**

Quarterly Performance

(INR m)

Y/E March	FY25					FY26E				FY25	FY26E	2Q	Act
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				FY26E	V/s Est
Interest Income	1,40,492	1,49,870	1,57,682	1,63,591	1,71,447	1,77,960	1,86,787	1,96,679	6,11,636	7,32,871	1,79,333	-1	
Interest expenses	56,839	61,493	63,856	65,520	69,177	70,113	74,039	77,898	2,47,708	2,91,227	71,806	-2	
Net Interest Income	83,653	88,377	93,826	98,072	1,02,270	1,07,847	1,12,747	1,18,781	3,63,928	4,41,645	1,07,528	0	
YoY Growth (%)	24.5	22.8	22.6	22.4	22.3	22.0	20.2	21.1	23.0	21.4	21.7		
Other Operating Income	20,531	21,084	22,901	21,096	23,831	23,848	24,870	25,001	85,612	97,550	23,886	0	
Net Income	1,04,185	1,09,461	1,16,727	1,19,168	1,26,101	1,31,695	1,37,617	1,43,782	4,49,540	5,39,195	1,31,413	0	
YoY Growth (%)	24.1	23.8	25.5	22.7	21.0	20.3	17.9	20.7	24.0	19.9	20.1		
Operating Expenses	34,709	36,390	38,670	39,493	41,230	42,959	44,892	48,183	1,49,261	1,77,264	42,879	0	
Operating Profit	69,475	73,071	78,057	79,675	84,871	88,736	92,725	95,599	3,00,279	3,61,931	88,534	0	
YoY Growth (%)	25.3	25.2	27.1	24.3	22.2	21.4	18.8	20.0	25.5	20.5	21.2		
Provisions and Cont.	16,847	19,091	20,433	23,289	21,202	22,688	23,132	22,652	79,660	89,674	22,568	1	
Profit before Tax	52,654	54,015	57,624	56,474	63,676	66,081	69,593	72,947	2,20,796	2,72,257	65,966	0	
Tax Provisions	13,534	13,877	14,572	11,018	16,023	16,604	18,025	18,774	53,002	69,426	17,085	-3	
Net Profit	39,120	40,137	43,052	45,456	47,653	49,478	51,569	54,173	1,67,795	2,02,832	48,881	1	
YoY Growth (%)	13.8	13.0	18.3	18.9	21.8	23.3	19.8	19.2	16.0	21.0	21.8		
Key Operating Parameters (%)													
Fees to Net Income Ratio	19.7	19.3	19.6	17.7	18.9	18.1	18.1	17.4					
Credit Cost	1.99	2.13	2.16	2.33	2.02	2.05	1.98	1.84					
Cost to Income Ratio	33.3	33.2	33.1	33.1	32.7	32.6	32.6	33.5					
Tax Rate	25.7	25.7	25.3	19.5	25.2	25.1	25.9	25.7					
Balance Sheet Parameters													
AUM (INR B)	3,542	3,739	3,980	4,167	4,415	4,623	4,909	5,125					
Change YoY (%)	31.1	28.8	28.0	26.0	24.6	23.6	23.3	23.0					
Loans (INR B)	3,497	3,675	3,902	4,078	4,325	4,525	4,821	5,037					
Change YoY (%)	31.8	28.6	27.4	25.0	23.7	23.1	23.6	23.5					
Borrowings (INR B)	3,048	3,192	3,349	3,573	3,718	3,952	4,207	4,432					
Change YoY (%)	29.6	25.5	26.9	23.4	22.0	23.8	25.6	24.1					
Loans/Borrowings (%)	114.7	115.1	116.5	114.1	116.3	114.5	114.6	113.6					
Asset Quality Parameters (%)													
GS 3 (INR B)	30.5	39.5	44.6	39.7	45.2	56.9							
Gross Stage 3 (% on Assets)	0.86	1.06	1.12	0.96	1.03	1.24							
NS 3 (INR B)	13.4	17.0	19.1	18.4	21.7	26.5							
Net Stage 3 (% on Assets)	0.38	0.46	0.48	0.44	0.50	0.60							
PCR (%)	85.5	57.1	57.2	53.7	51.9	53.4							
Return Ratios (%)													
ROAA (Rep)	4.63	4.5	4.5	4.6	4.5	4.5							
ROAE (Rep)	19.86	19.1	19.08	19.1	19	19.1							

E: MOFSL Estimates



Highlights from the management commentary

Guidance

- FY26 AUM growth guidance is revised to 22-23% (from 24-25%) to account for the lower AUM growth guidance in mortgages and moderated growth in its MSME business.
- CoF improved by 27bp to 7.52% in 2QFY26; FY26 CoF expected at 7.5-7.55%.
- Customer franchise expanded strongly to 110.6m, with 4.13m new customers added in 2Q. The company expects to add ~17m new customers in FY26.
- FY26 credit costs are expected at the higher end of 1.85-1.95% guidance band. Significant credit cost improvement expected in FY27.
- Targeting gold loan AUM of INR160b by Mar'26 and INR270-300b by Mar'27.

Growth and AUM trends

- AUM grew 24% YoY to INR4.62t, supported by broad-based growth across most businesses.
- New businesses, including gold loans, new car loans, CV and tractor finance, are scaling up well and contributed ~3% of incremental AUM growth in 2Q.
- MSME growth moderated to 18% YoY, as part of a deliberate risk-first approach to ensure portfolio resilience and long-term sustainability.
- Captive 2W/3W business moderated as planned (now ~1.5% of AUM); the gradual rundown is expected to strengthen asset quality metrics from FY27.
- BHFL reported a stable quarter with 24% AUM growth despite heightened competition.
- Mortgages account for ~31% of the balance sheet and MSME ~14% of AUM.
- Other segments, including gold loans, car loans and LAP, are witnessing healthy momentum, partly offsetting moderation in MSME and captive auto finance.
- Tractor is a small segment. The company expects 75% new and 25% used tractor mix, so that the business can generate adequate returns.

Funding, margins and profitability

- NIM remained flat QoQ, in line with expectations.
- BAF expects CoF to decline by an additional ~5bp over the next two quarters. It intends to maintain NIM at current levels and pass on CoF benefits to customers.
- Even if there are further rate cuts, the company does not expect any material improvement in CoF for FY26 as it will be toward the end of the financial year.
- Other operating income was lower due to plateauing of bad-debt recoveries from Covid-era stress.
- Fees + assignment income expected to grow 13-15% YoY in FY26.

Credit costs and asset quality

- Credit costs remained elevated in 2QFY26 at 205bp.
- Stage 3 at 1.24% and Stage 2 at 0.60%. The sequential deterioration largely reflects higher number of days in 2Q, a recurring effect observed annually.
- **GS3 up ~18bp YoY**; Captive 2W/3W contributed ~12bp and MSME contributed ~6bp.

- MSME stress visible; expected to settle down by Mar-Jun'26, after which MSME growth will resume.
- 8% of loan losses in the quarter came from 1.5% of AUM (captive 2W/3W).
- Early buckets stable: 3MOB / 6MOB / 9MOB behaving well; vintage performance is trending positively across segments
- Rural B2C has improved materially and management has upgraded internal risk status from yellow to green.
- Gold Loan and New Car Finance continue to be low credit-cost segments. As the proportion of these products increases in the balance sheet and as the proportion of captive 2W/3W continues to decline, we will see a significant decline in credit costs next year.
- BAF wants credit costs in non-captive 2W/3W business to be 1/3rd of that in its captive auto business.

MSME

- MSME volumes cut by 25% as part of risk actions. MSME expected to grow 10-12% in FY26.
- No major restructuring of MSME loans expected ahead.
- MSME stress is not regional; mitigation efforts underway.

AI, technology and FINAI transformation

- BAF aims to become a future-ready AI organization; visible in cost efficiencies.
- Management dedicates 12-15% of its time to AI initiatives.

Strong execution under FINAI:

- 442 AI bots live, contributing INR20b of originations in 2Q alone.
- 85% of customer service resolutions handled by AI Service Bot.
- 42% of loan application QC done via bots.
- AI-generated content: 42% of digital banners, 100% of videos.
- By Mar'26, all customer communication to be bot-driven.
- Face-recognition tech to be rolled out in 300 PoS, service & gold branches by Feb'26.
- Process automation + FINAI expected to boost velocity and reduce costs.

Gold loans

- Plans to add ~900 new gold branches; 500 existing branches to be converted.
- Business expected to move from cost center to profit center with process maturity.
- 40-45% of monthly gold loan disbursements happen digitally (repeat customers).
- As gold loan branch network expands, customer coverage increases automatically.

Management and organization

- Mr. Manish Jain (MD of Bajaj Financial Securities) elevated as fourth Deputy CEO.
- BAF will now have four Deputy CEOs + three COOs, forming the core executive committee.

Festive season update

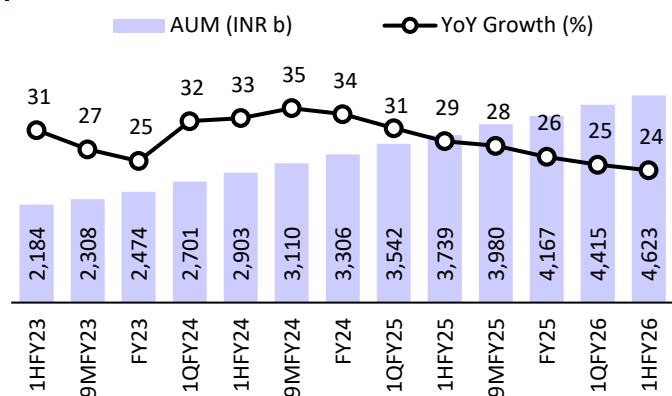
- Strong festive momentum (Navratri → Diwali):
- 6.3m consumer loans disbursed.
- Loans disbursed during the festive season were up 27% YoY in volume and up 29% YoY in value.
- Electronics/consumer finance saw steady strength after the festive season.

Market position and strategic plans

- BAF holds ~13% market share by number of loans, ~4% by value — large runway ahead.
- Investor Day scheduled on 5th Dec'25, where its rolling long-range strategy (LRS) will be unveiled.
- Gold + Mortgages + Consumer + MSME repositioning + FINAI expected to support structural growth.
- BAF reiterated that it is a risk-first, multi-product franchise and will cut business where needed.

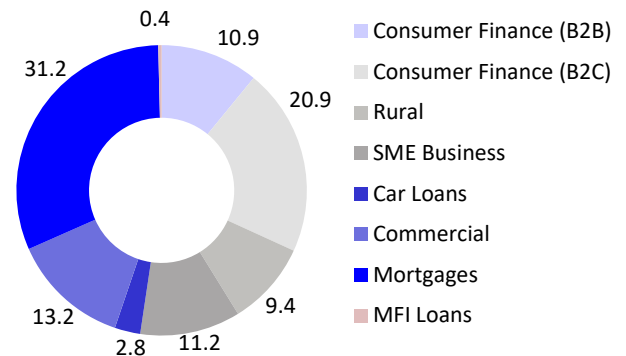
Story in charts

Exhibit 1: AUM grew at 24% YoY



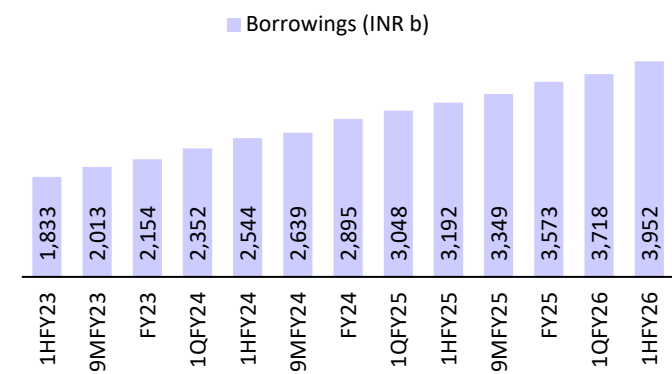
Source: MOFSL, Company

Exhibit 2: AUM mix (%)



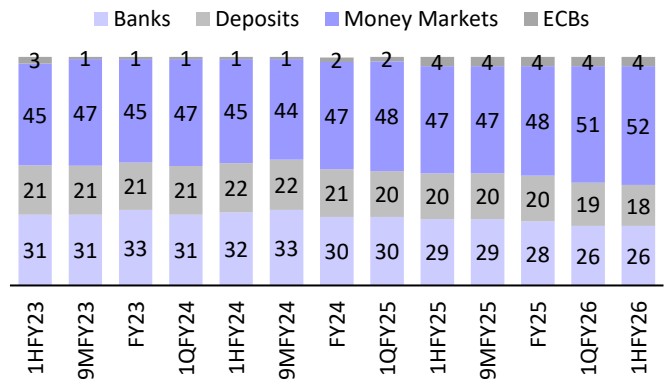
Source: MOFSL, Company; Note: Data as of 2QFY26

Exhibit 3: Borrowings grew 24% YoY



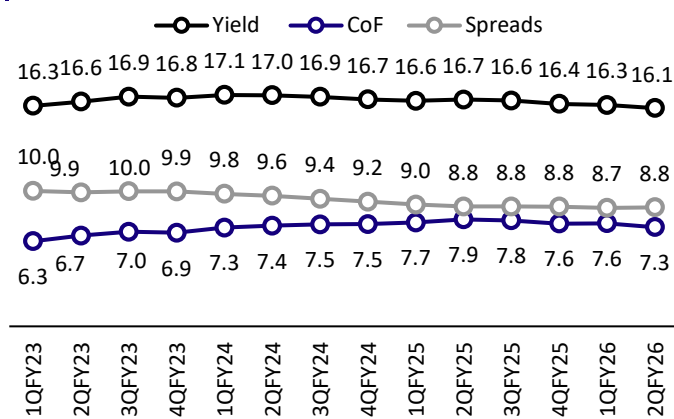
Source: MOFSL, Company

Exhibit 4: Share of deposits declined QoQ (%)



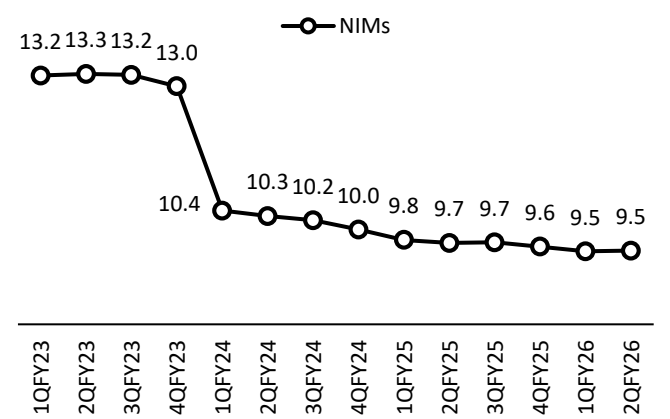
Source: MOFSL, Company

Exhibit 5: Calculated spreads rose ~5bp QoQ (%)



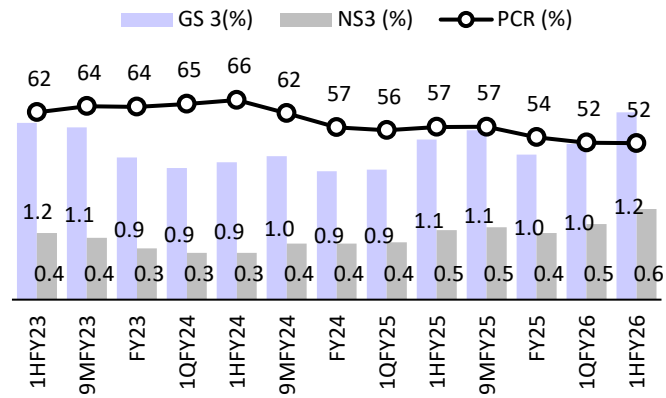
Source: MOFSL, Company

Exhibit 6: NIMs broadly stable QoQ (%)



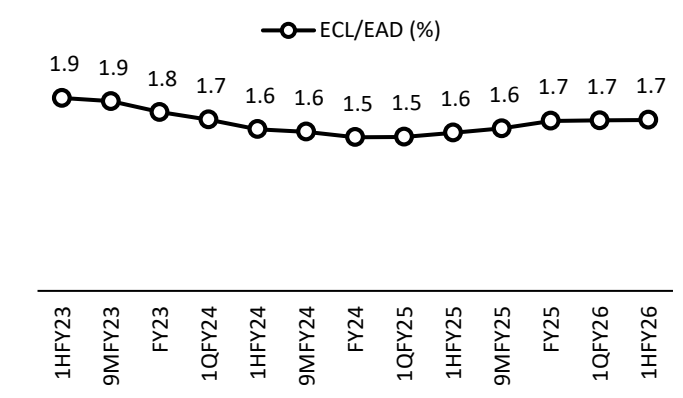
Source: MOFSL, Company

Exhibit 7: GS3 rose ~20bp QoQ (%)



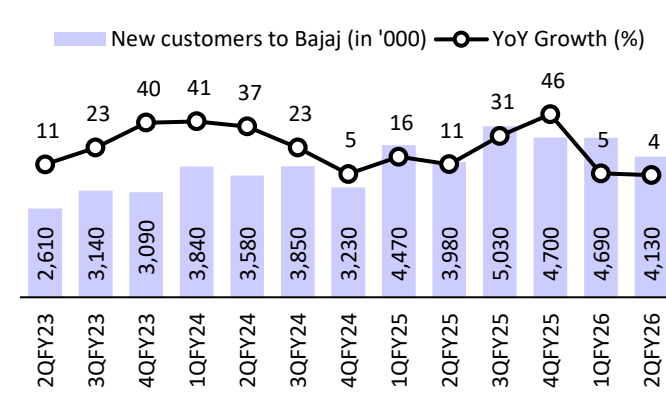
Source: MOFSL, Company

Exhibit 8: Total ECL provisions stood at ~170bp of EAD



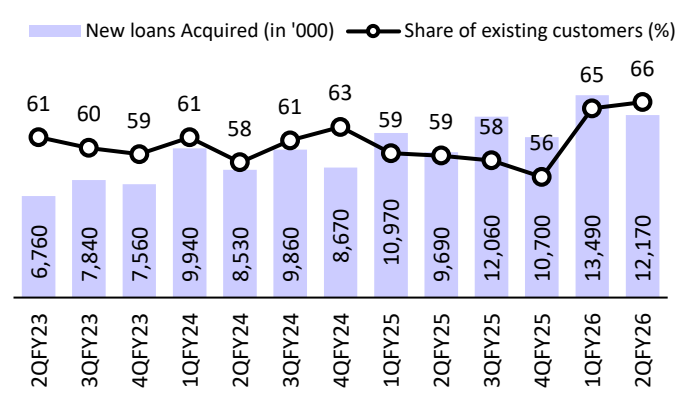
Source: MOFSL, Company

Exhibit 9: New customer additions grew ~4% YoY



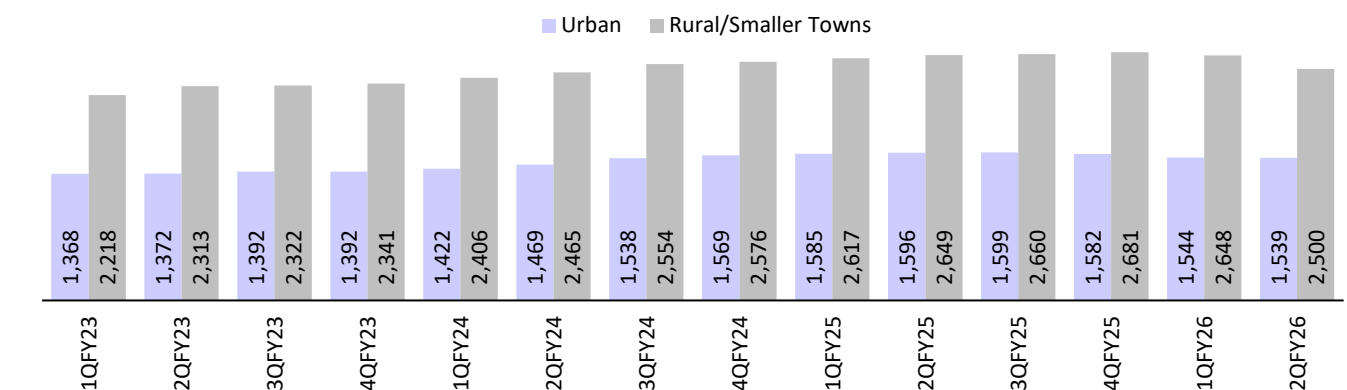
Source: MOFSL, Company

Exhibit 10: New loans booked were up ~26% YoY to 12.2m



Source: MOFSL, Company

Exhibit 11: Trend in branch expansion

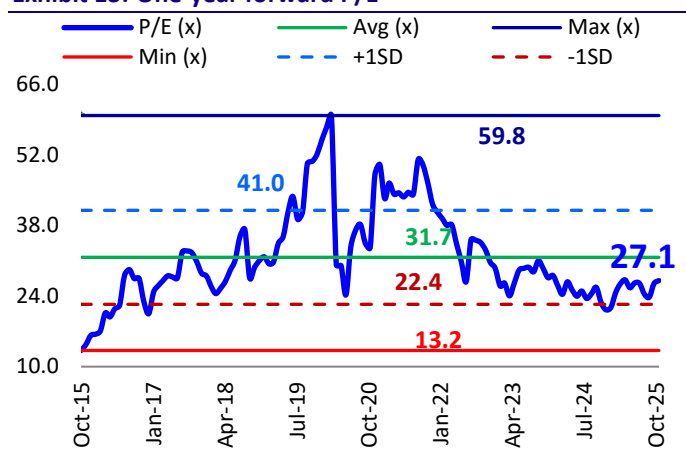
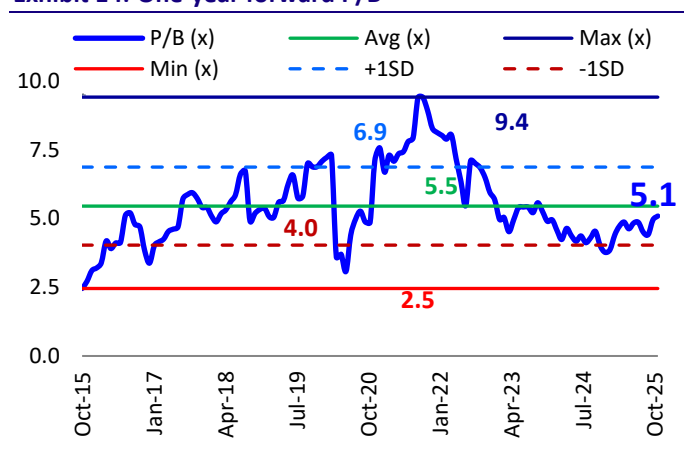


Source: MOFSL, Company

Exhibit 12: We cut our FY27/FY28 EPS estimates by 3%/2% to factor in lower non-interest income and lower NIM

INR B	Old Est.			New Est.			% Change		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
NII	442.8	561.4	699.6	441.6	552.1	688.9	-0.3	-1.6	-1.5
Other operating Income	97.1	113.7	130.1	97.1	110.7	127.0	0.0	-2.6	-2.3
Other Income	0.5	0.6	0.8	0.5	0.6	0.7	-4.2	-4.2	-4.2
Total Income	540.4	675.6	830.4	539.2	663.5	816.7	-0.2	-1.8	-1.7
Operating Expenses	176.6	215.8	259.0	177.3	215.8	258.9	0.4	0.0	-0.1
Operating Profits	363.7	459.8	571.4	361.9	447.6	557.8	-0.5	-2.7	-2.4
Provisions	89.7	105.2	122.7	89.7	103.0	120.0	0.0	-2.1	-2.2
PBT	274.1	354.6	448.7	272.3	344.7	437.9	-0.7	-2.8	-2.4
Tax	69.9	90.4	114.4	69.4	87.9	111.7	-0.7	-2.8	-2.4
PAT	204.2	264.2	334.3	202.8	256.8	326.2	-0.7	-2.8	-2.4
Loans	5,078	6,372	7,934	5,037	6,321	7,870	-0.8	-0.8	-0.8
Borrowings	4,473	5,608	6,974	4,432	5,556	6,886	-0.9	-0.9	-1.3
RoA	3.9	4.1	4.2	3.9	4.0	4.2			
RoE	19.4	21.1	22.2	19.3	20.6	21.8			

Source: MOFSL, Company

Exhibit 13: One-year forward P/E

Exhibit 14: One-year forward P/B


Financials and valuations

Income Statement								INR m	
Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	2,29,704	2,33,034	2,72,698	3,55,502	4,83,066	6,11,636	7,32,871	9,05,245	11,27,496
Interest Expended	94,732	94,140	97,482	1,25,599	1,87,247	2,47,708	2,91,227	3,53,106	4,38,603
Net Interest Income	1,34,972	1,38,894	1,75,215	2,29,903	2,95,819	3,63,928	4,41,645	5,52,139	6,88,893
Change (%)	38.8	2.9	26.2	31.2	28.7	23.0	21.4	25.0	24.8
Other Operating Income	34,034	33,647	43,627	58,472	66,629	85,200	97,075	1,10,723	1,27,040
Other Income	118	150	80	83	130	413	475	593	742
Net Income	1,69,124	1,72,691	2,18,922	2,88,458	3,62,578	4,49,540	5,39,195	6,63,455	8,16,675
Change (%)	42.4	2.1	26.8	31.8	25.7	24.0	19.9	23.0	23.1
Operating Expenses	56,608	53,082	75,850	1,01,300	1,23,252	1,49,261	1,77,264	2,15,840	2,58,855
Operating Profits	1,12,516	1,19,608	1,43,072	1,87,158	2,39,326	3,00,279	3,61,931	4,47,615	5,57,820
Change (%)	46.5	6.3	19.6	30.8	27.9	25.5	20.5	23.7	24.6
Provisions and W/Offs	39,295	59,686	48,034	31,897	46,307	79,660	89,674	1,02,962	1,19,967
PBT	73,221	59,923	95,038	1,55,279	1,93,019	2,20,618	2,72,257	3,44,654	4,37,853
Tax	20,584	15,724	24,756	40,202	48,584	53,002	69,426	87,887	1,11,653
Tax Rate (%)	28.1	26.2	26.0	25.9	25.2	24.0	25.5	25.5	25.5
PAT	52,638	44,198	70,282	1,15,077	1,44,435	1,67,617	2,02,832	2,56,767	3,26,201
Change (%)	31.8	-16.0	59.0	63.7	25.5	16.0	21.0	26.6	27.0
Proposed Dividend	7,254	6,026	6,036	18,626	22,351	34,768	32,352	38,643	49,093

Balance Sheet								INR m	
Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Capital	1,200	1,203	1,207	1,209	1,236	1,242	6,209	6,209	6,209
Reserves & Surplus (Ex OCI)	3,22,951	3,69,179	4,36,643	5,43,349	7,65,198	9,65,687	11,31,200	13,49,324	16,26,431
Net Worth	3,24,150	3,70,382	4,37,850	5,44,558	7,66,434	9,66,929	11,37,409	13,55,532	16,32,640
OCI	-874	-1,198	-723	-839	519	0	0	0	0
Net Worth (Including OCI)	3,23,276	3,69,184	4,37,127	5,43,720	7,66,954	9,66,929	11,37,409	13,55,532	16,32,640
Change (%)	64.1	14.2	18.4	24.4	41.1	26.1	17.6	19.2	20.4
Borrowings	12,98,064	13,16,335	16,52,549	21,67,399	29,34,052	36,12,487	44,32,450	55,56,404	68,86,243
Change (%)	27.8	1.4	25.5	31.2	35.4	23.1	22.7	25.4	23.9
Other liabilities	22,573	29,185	35,378	41,168	56,411	81,853	94,131	1,08,251	1,24,488
Total Liabilities	16,43,914	17,14,704	21,25,054	27,52,287	37,57,416	46,61,268	56,63,990	70,20,187	86,43,371
Investments	1,75,439	1,83,969	1,22,455	2,27,518	3,08,807	3,44,408	3,75,405	3,94,175	4,13,884
Change (%)	104.0	4.9	-33.4	85.8	35.7	11.5	9.0	5.0	5.0
Loans	14,27,989	14,66,869	19,14,233	24,22,689	32,62,933	40,78,441	50,36,875	63,21,278	78,69,991
Change (%)	25.6	2.7	30.5	26.6	34.7	25.0	23.5	25.5	24.5
Other assets	40,485	63,866	88,366	1,02,079	1,85,677	2,38,419	2,51,710	3,04,733	3,59,495
Total Assets	16,43,914	17,14,704	21,25,054	27,52,287	37,57,416	46,61,268	56,63,990	70,20,187	86,43,371

E: MOFSL Estimates

Financials and valuations

Ratios	(%)								
Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Spreads Analysis (%)									
Yield on Advances	17.9	16.1	16.1	16.4	17.0	16.7	16.1	15.9	15.9
Cost of borrowings	8.2	7.2	6.6	6.6	7.3	7.6	7.2	7.1	7.1
Interest Spread	9.7	8.9	9.6	9.8	9.7	9.1	8.8	8.9	8.8
Net Interest Margin	10.5	9.6	10.4	10.6	10.4	9.9	9.7	9.7	9.7
Profitability Ratios (%)									
Cost/Income	33.5	30.7	34.6	35.1	34.0	33.2	32.9	32.5	31.7
Empl. Cost/Op. Exps.	45.0	47.0	47.3	49.9	51.9	50.3	49.4	48.7	47.9
RoE	20.2	12.7	17.4	23.4	22.0	19.3	19.3	20.6	21.8
RoA	3.6	2.6	3.7	4.7	4.4	4.0	3.9	4.0	4.2
Asset Quality (%)									
GNPA (INR m)	23,626	27,304	31,331	23,125	28,160	39,647	64,096	83,400	1,11,025
NNPA (INR m)	9,373	11,354	13,144	8,361	12,098	18,340	30,766	38,364	48,851
GNPA %	1.6	1.8	1.6	0.9	0.8	1.0	1.2	1.3	1.4
NNPA %	0.7	0.8	0.7	0.3	0.4	0.4	0.6	0.6	0.6
PCR %	60.3	58.4	58.0	63.8	57.0	53.7	52.0	54.0	56.0
Total Provisions/loans %	3.1	4.1	2.8	1.5	1.6	2.2	2.0	1.8	1.7
Capitalisation (%)									
CAR	25.0	28.3	27.2	25.0	22.5	21.9	24.5	23.6	23.5
Tier I	21.3	25.1	24.8	23.2	21.5	21.1	23.7	23.1	23.1
Tier II	3.7	3.2	2.5	1.8	1.0	0.8	0.7	0.6	0.4
Average Leverage on Assets (x)	5.5	4.8	4.8	5.0	5.0	4.9	4.9	5.1	5.2
Valuation									
Book Value (INR)	54	62	73	90	124	156	183	218	263
Price-BV (x)	20.1	17.6	14.9	12.0	8.7	7.0	5.9	5.0	4.1
Adjusted BV (INR)	53	60	71	89	123	154	179	214	257
Price-ABV (x)	20.5	18.0	15.3	12.2	8.9	7.1	6.0	5.1	4.2
EPS (INR)	8.8	7.3	11.6	19.0	23.4	27.0	32.7	41.4	52.5
EPS Growth (%)	26.7	-16.3	58.6	63.4	22.8	15.5	21.0	26.6	27.0
Price-Earnings (x)	123.7	147.7	93.1	57.0	46.4	40.2	33.2	26.2	20.7
OPS (INR)	19	20	24	31	39	48	58	72	90
OPS Growth (%)	40.9	6.0	19.3	30.6	25.1	24.9	20.5	23.7	24.6
Price-OP (x)	57.9	54.6	45.8	35.0	28.0	22.4	18.6	15.0	12.1
Dividend per Share (INR)	1.0	1.0	2.0	3.0	3.6	5.6	5.2	6.2	7.9
Dividend Yield (%)	0.1	0.1	0.2	0.3	0.3	0.5	0.5	0.6	0.7
E: MOFSL Estimates									

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