motilal oswal Financial Services

2 August 2026

1QFY27 Results Update | Sector: Financials

Muthoot Finance

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	MUTH IN
Equity Shares (m)	401
M.Cap.(INRb)/(USDb)	1252.4 / 13.1
52-Week Range (INR)	4150 / 2477
1, 6, 12 Rel. Per (%)	2/-15/21
12M Avg Val (INR M)	2693

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	171.3	184.8	221.2
PPP	141.2	147.1	176.0
PAT	101.3	105.8	126.9
EPS (INR)	252.4	263.5	316.0
EPS Gr. (%)	94.9	4.4	19.9
BV/Sh.(INR)	940	1,166	1,437
Ratios			
NIM (%)	12.6	10.3	10.3
C/I ratio (%)	20.1	22.3	22.2
RoA (%)	6.7	5.3	5.3
RoE (%)	30.6	25.0	24.3
Payout (%)	11.9	14.1	14.2
Valuations			
P/E (x)	12.4	11.8	9.9
P/BV (x)	3.3	2.7	2.2
Div. Yld. (%)	1.0	1.2	1.4

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	73.4	73.4	73.4
DII	10.8	10.4	12.2
FII	11.6	12.3	10.8
Others	4.3	3.9	3.6

FII includes depository receipts

CMP: INR3,120 TP: INR2,850 (-9%) Neutral

Yield compression weighs on margins amid rising competition

NIM declined ~3pp QoQ; lower steady-state NIM led to sharp cut in earnings

The competitive intensity in the gold loan industry has increased meaningfully, with Muthoot Finance (MUTH) management acknowledging that it has taken calibrated pricing actions to defend AUM growth. While management expects gold loan yields to stabilize at 18.0-18.5%, we believe downside risks remain, particularly as several large and well-capitalized NBFCs continue to scale up their gold loan franchises. In our view, the industry could witness a brief period of aggressive customer acquisition, leading to persistent pressure on pricing, spreads and margins. With gold loans now a mainstream product, demand is likely to remain robust, but MUTH may increasingly face the trade-off between protecting market share and preserving profitability. **We, therefore, remain cautious on margin sustainability over the next few quarters and believe the competition's response to Muthoot's pricing actions will be a key monitorable.** For MUTH, we now estimate standalone gold loan growth of 22% and PAT growth of 4-5% in FY27. Maintain Neutral.

- 1QFY27 PAT grew 25% YoY and declined 17% QoQ to ~INR25.5b (~20% miss). Net total income grew 24% YoY to ~INR44.6b (19% miss). Opex grew ~21% YoY to INR9.8b (in line).
- PPOP grew 25% YoY to ~INR34.7b (~24% miss). Provisions stood at ~INR510m and translated into annualized credit costs of ~12bp in 1QFY27 [PY: ~15bp and PQ: ~62bp].

Multitude of reasons led to yield and NIM compression

- NIMs moderated in 1QFY27, primarily due to lower gold loan yields, led by product mix changes and a higher share of lower-yield loans. Additionally, ahead of Apr'26 when the new RBI gold lending regulations came in effect, MUTH got customers to roll over their loans (by paying the accrued interest) and all these rolled-over loans are now yielding lower interest because of the rebate structure. Strong recoveries, renewals, and interest collections during 2HFY26 also supported higher yields.
- NIM (calc.) declined ~3pp QoQ to ~10.6% (PQ: 13.7%). Spreads also declined ~3pp QoQ to 9.4%. Yield declined ~3pp QoQ to 18.1%, while CoB rose ~15bp QoQ to 8.75%. Management expects gold loan yields to stabilize around ~18.0-18.5%. We expect NIM to moderate to ~10.3% in FY27E/FY28E, primarily driven by a decline in steady-state yields.

Gold loan business delivers strong growth with rising customer traction

- Standalone gold loan AUM grew ~6% QoQ and ~44% YoY to ~INR1.63t, while consolidated AUM rose ~43% YoY/5% QoQ to ~INR1.92t.
- Gold loan LTV rose 5pp QoQ to 64%. Average ticket size (ATS) in gold loans rose to INR150k (PQ: INR149k). Gold tonnage inched up to 197t (PQ: 196t).

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- No. of gold loan accounts grew ~5% QoQ to 10.9m (PQ: 10.4m). Gold loan disbursements to new customers grew 41% YoY to INR89.4b. MUTH opened 86 new branches across the group, and total branches stood at 7,654 as of Jun’26.
- We expect MUTH to deliver a loan growth CAGR of ~21% over FY26-28E.

Asset quality broadly stable; GS3 declined ~5bp QoQ

- GS3% declined ~5bp QoQ to ~2.3%. GS2% rose ~45bp QoQ to 1.09%. 30+dpd rose ~35bp QoQ to ~3.4%.
- We estimate credit costs at ~25-30bp in FY27E/FY28E.

Belstar prioritizes calibrated growth; GS3 declined ~270bp QoQ

- MFI subsidiary (Belstar) AUM grew 2% YoY and declined ~5% QoQ to ~INR78b. GS3 in Belstar declined ~270bp QoQ to ~2.85% (PQ: 5.55%). Belstar had 1,331 branches as of Jun’26.
- Belstar’s microfinance business continues to follow a calibrated growth approach, focusing on lower-risk lending and improving borrower quality rather than pursuing aggressive expansion. The company will continue to gradually diversify its product portfolio through gold loan branch expansion.

Highlights from the management commentary

- Around ~4-5% of incremental gold loan disbursements are currently originated at the maximum permissible 85% LTV, while the overall portfolio LTV (including accrued interest) stood at ~66% as of Jun'26.
- Management does not expect any meaningful reduction in borrowing costs (CoB) in the near term, with future trajectory in CoB largely dependent on RBI policy actions.

Valuation and view

- FY27 started on a relatively weak footing, with 1QFY27 profitability impacted by lower gold loan yields and margin moderation despite healthy gold loan growth and customer additions.
- While gold loan demand remains robust, the industry has entered a more competitive phase, with aggressive pricing materially compressing yields. Incremental earnings could increasingly be dependent on balance-sheet expansion rather than margin resilience. With borrowing costs expected to remain largely unchanged in the near term, any further pressure on asset yields could directly weigh on margins. We believe FY26 likely represented a cyclical peak in profitability, with normalization in NIMs expected to keep FY27 RoA/RoE healthy at 5.3%/25% but significantly below recent highs.
- While management remains confident that Muthoot's franchise strength will help navigate the competitive landscape, we believe sustained stabilization in yields and margins will be key before turning more constructive.
- MUTH currently trades at 2.2x FY28E P/BV and 10x FY28E P/E. **We cut our FY27E/FY28E** estimates **by ~17%/~7%, to factor in the sharp NIM compression. We estimate a PAT CAGR of ~12% over FY26-28E. Maintain our Neutral rating with a TP of INR2,850 (based on ~2x Mar’28 P/B).**

Quarterly Performance

(INR M)

Y/E March	FY26E				FY27E				FY26	FY27E	1QFY27E	Act v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	55,923	63,044	71,138	80,560	75,060	78,212	82,123	85,337	2,70,665	3,20,732	84,749	-11
Other operating income	1,110	1,279	1,290	1,239	829	959	967	1,179	4,918	3,934	943	-12
Total Operating income	**57,033**	**64,322**	**72,428**	**81,799**	**75,889**	**79,171**	**83,090**	**86,516**	**2,75,582**	**3,24,666**	**85,692**	**-11**
YoY Growth (%)	54.0	56.2	63.7	68.5	33.1	23.1	14.7	5.8	61.2	17.8	50.3	
Other income	167	286	105	140	142	149	134	175	416	600	133	7
Total Income	**57,200**	**64,608**	**72,533**	**81,939**	**76,030**	**79,320**	**83,224**	**86,691**	**2,75,999**	**3,25,266**	**85,826**	**-11**
YoY Growth (%)	54.2	56.6	63.7	68.1	32.9	22.8	14.7	5.8	61.1	17.9	50.0	
Interest Expenses	21,191	23,126	26,467	28,626	31,459	33,362	34,763	36,382	99,410	1,35,965	30,744	2
Net Income	**36,009**	**41,482**	**46,066**	**53,314**	**44,572**	**45,959**	**48,461**	**50,309**	**1,76,589**	**1,89,301**	**55,082**	**-19**
Operating Expenses	8,121	8,827	9,237	9,250	9,832	10,225	10,736	11,374	35,435	42,167	9,471	4
Operating Profit	**27,887**	**32,655**	**36,829**	**44,064**	**34,740**	**35,734**	**37,725**	**38,935**	**1,41,153**	**1,47,134**	**45,611**	**-24**
YoY Growth (%)	62.6	70.5	78.8	106.5	24.6	9.4	2.4	-11.6	80.1	4.2	63.6	
Provisions	433	1,141	1,012	2,395	510	1,200	1,100	1,961	4,698	4,772	2,874	-82
Profit before Tax	**27,455**	**31,514**	**35,817**	**41,669**	**34,230**	**34,534**	**36,625**	**36,973**	**1,36,455**	**1,42,362**	**42,737**	**-20**
Tax Provisions	6,992	8,063	9,252	10,807	8,725	8,875	9,413	9,574	35,114	36,587	10,983	-21
Net Profit	**20,463**	**23,452**	**26,564**	**30,862**	**25,505**	**25,659**	**27,213**	**27,399**	**1,01,341**	**1,05,775**	**31,754**	**-20**
YoY Growth (%)	89.7	87.4	94.9	104.7	24.6	9.4	2.4	-11.2	94.9	4.4	55.2	
Key Operating Parameters (%)												
Yield on loans (Cal)	20.0	20.4	20.7	21.1	18.1	18.0	18.2	18.1				
Cost of funds (Cal)	8.8	8.6	8.8	8.6	8.7	8.8	8.8	8.9				
Spreads (Cal)	11.2	11.8	11.9	12.5	9.4	9.2	9.3	9.2				
NIMs (Cal)	12.6	13.2	13.2	13.7	10.6	10.4	10.6	10.5				
Credit Cost	0.15	0.4	0.3	0.62	0.12	0.3	0.2	0.4				
Cost to Income Ratio	22.6	21.3	20.1	17.4	22.1	22.2	22.2	22.6				
Tax Rate	25.5	25.6	25.8	25.9	25.7	25.7	25.7	25.9				
Balance Sheet Parameters												
AUM (INR b)	1,200	1,323	1,476	1,628	1,721	1,798	1,861	1,968				
Change YoY (%)	42.3	46.7	51.4	49.9	43.3	35.9	26.1	20.9				
Gold loans (INR b)	**1,132**	**1,249**	**1,397**	**1,541**	**1,633**	**1,706**	**1,766**	**1,879**				
Change YoY (%)	39.9	44.98	50.23	49.66	44.3	36.61	26.47	21.98				
Gold Stock Holding (In tonnes)	209	209	205	196	197							
Avg gold loans per branch (INR m)	232	252	281	310	325							
Borrowings (INR b)	1,033	1,120	1,274	1,385	1,492	1,541	1,604	1,668				
Change YoY (%)	56.7	54.7	61.9	54.1	44.4	37.5	25.9	20.4				
Borrowings Mix (%)												
Listed secured NCDs	30.3	28.7	29.5	26.0	34.2							
Term loans	50.5	49.7	48.9	48.9	43.3							
Commercial Paper	6.3	5.0	5.4	5.3	4.1							
Others	1.3	0.8	1.0	0.9	0.9							
Debt/Equity (x)	3.2	3.3	3.4	3.5	3.6							
Asset Quality Parameters (%)												
GS 3 (INR m)	30,945	29,774	23,248	38,239	39,265							
Gross Stage 3 (% on Assets)	2.6	2.3	1.6	2.4	2.3							
Total Provisions (INR m)	18,601	18,940	19,224	20,936	20,603							
Return Ratios (%)												
RoAUM (Rep)	7.2	7.4	7.6	8.0	6.1							
RoE (Rep)	27.7	30.0	32.0	34.2	26.1							

E: MOFSL estimates

CONFERENCE CALL

Highlights from the management commentary

Guidance

- Muthoot reiterated its AUM growth guidance of ~15% for FY27 and expects to review and revise the guidance after assessing business performance in 2QFY27.
- Management guided for a steady-state yield of ~18-18.5% and believes the business remains well positioned despite a competitive pricing environment.
- Muthoot plans to add another ~500-600 branches (across the group) during FY27 to strengthen its distribution network across key markets.

Business Updates

- Management believes the regulatory changes implemented from Apr'26, are structurally positive for the gold loan industry as they enhance transparency and accelerate formalization, benefiting established players such as Muthoot Finance.
- The primary gold loan business continues to remain the key growth driver, while the microfinance, housing finance and business loan portfolios continue to contribute steadily to the overall asset base.
- Muthoot believes its diversified product offerings, omnichannel capabilities and strong franchise position it well to benefit from India's long-term financial inclusion opportunity.
- During the initial phase of the quarter, management focused on rolling out the new gold loan products and training employees, following which business momentum improved meaningfully.

Gold Loan Business

- Standalone gold loan AUM increased ~6% QoQ and ~44% YoY to ~INR1.63t, while consolidated AUM grew ~5% QoQ and ~43% YoY to ~INR1.92t.
- Gold loan disbursements to new customers rose ~41% YoY to INR89.4b in 1QFY27, reflecting strong customer acquisition while maintaining healthy customer retention.
- Branch productivity improved significantly, with average gold loan AUM per branch increasing ~40% YoY to INR324.7m.
- The company continues to witness healthy traction from both existing and new customers, although gold tonnage growth remains influenced by fluctuations in gold prices.
- Management highlighted that customers typically borrow based on their repayment capacity rather than the maximum eligible loan amount despite higher gold prices. The company continues to offer a wide bouquet of gold loan products with multiple repayment options, including monthly, quarterly, semi-annual and annual interest payment schemes, allowing customers greater flexibility.
- LTV varies across products depending on the repayment structure, with lower LTVs applicable for longer-tenure bullet repayment schemes after factoring in accrued interest.

- Around ~4-5% of incremental gold loan disbursements are currently originated at the maximum permissible 85% LTV, while the overall portfolio LTV (including accrued interest) stood at ~66% as of Jun'26.

Yields and Pricing

- Gold loan yields moderated during the quarter due to product mix changes, lower lending rates on select products and a higher proportion of lower-yield loans. Also, before the new regulatory guidelines became effective from Apr'26, the company reached out to customers to roll-over their gold loans, which (because of the rebate structure) are now at lower rates.
- Management highlighted that recoveries, renewals and interest collections were exceptionally strong during 3QFY26 and 4QFY26, making the current quarter's yields relatively lower on a sequential basis.
- Incremental yields continue to be repriced frequently given the short-tenure nature of gold loans, providing flexibility to maintain yields within the guided range of ~18-18.5%.
- While competitive intensity could result in some yield compression across the industry, management believes its strong legacy customer base and pricing flexibility provide a competitive advantage.

Branch Expansion and Geographic Strategy

- The group added 86 branches during the quarter, taking the total branch network to 7,654.
- Muthoot continues to see significant growth opportunities across both South and North India and will expand its branch network wherever business potential remains attractive.
- South India continues to account for the majority of the gold loan market given its longer operating history, while North, East and West India offer significant long-term penetration opportunities through greater customer awareness and expansion.
- The company does not intend to slow branch additions in South India as the region continues to offer meaningful growth potential despite increasing opportunities in other geographies.

Competition

- Management believes customer service, faster TAT and the company's strong brand continue to differentiate Muthoot Finance despite increasing competition from banks and NBFCs.
- The company expects competition to remain elevated but believes specialized gold loan players with deep operational expertise are better positioned to sustain profitability over the long term than newer entrants.

Microfinance Business

- Belstar's AUM grew ~2% YoY and opened 45 new gold loan branches in 1Q to diversify its product base.
- The company continues to adopt a calibrated approach towards microfinance, focusing on lower-risk lending and better-quality borrowers rather than pursuing aggressive growth.

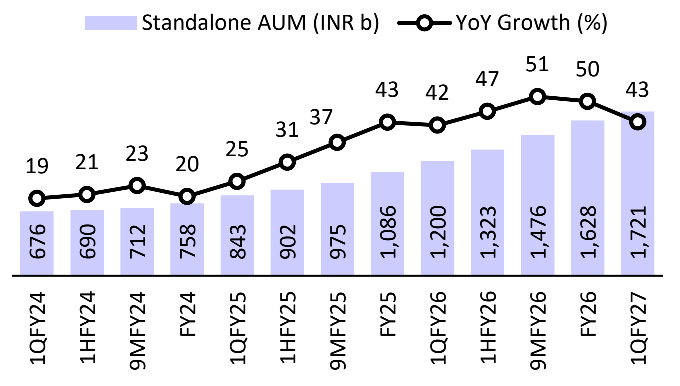
- Management reiterated its preference for secured lending and expects the microfinance portfolio to remain conservatively underwritten given the cyclical nature of the business.

Other highlights

- Capital adequacy remained comfortable at 20.3%, well above the regulatory threshold.
- Management does not expect any meaningful reduction in borrowing costs in the near term, with future movements largely dependent on RBI policy actions.
- Loans above INR300k accounted for ~69% of the portfolio as of Jun'26 compared with ~51% as of Mar'26, while the INR100k-300k segment moderated to ~22% from ~30%, reflecting a continued shift towards higher-ticket loans.
- Gold auctions during the quarter were insignificant at ~INR5.4m

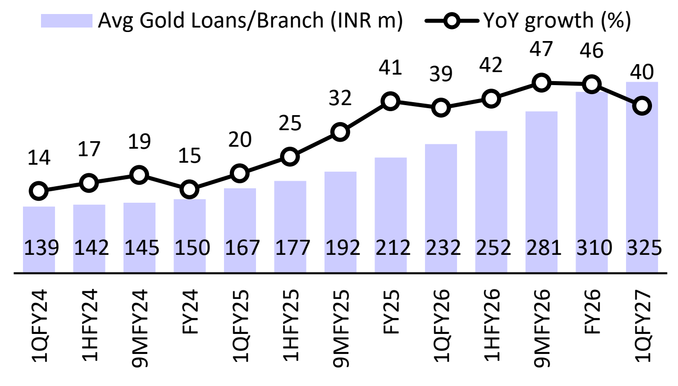
Key exhibits

Exhibit 1: Standalone AUM grew 43% YoY



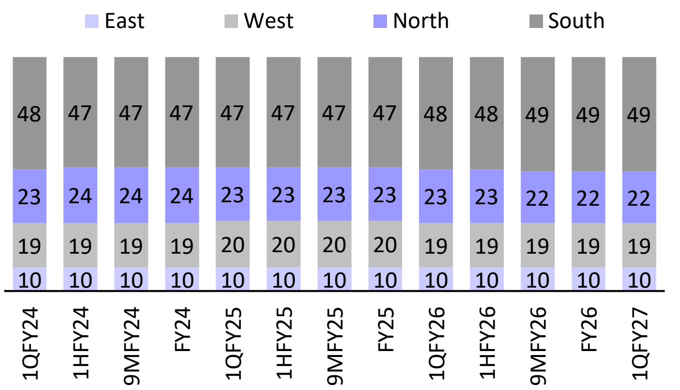
Source: MOFSL, Company

Exhibit 2: Trends in productivity



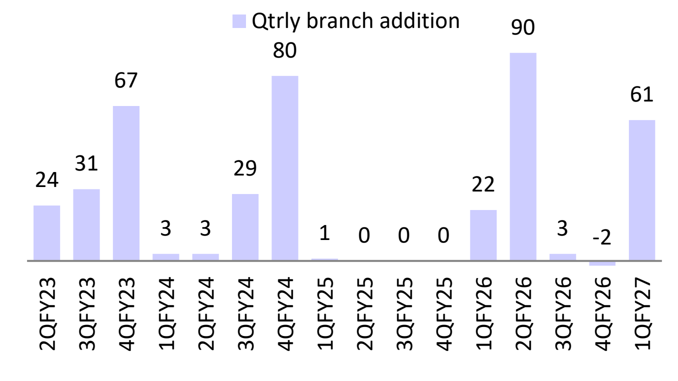
Source: MOFSL, Company

Exhibit 3: Regional mix of gold loans stable



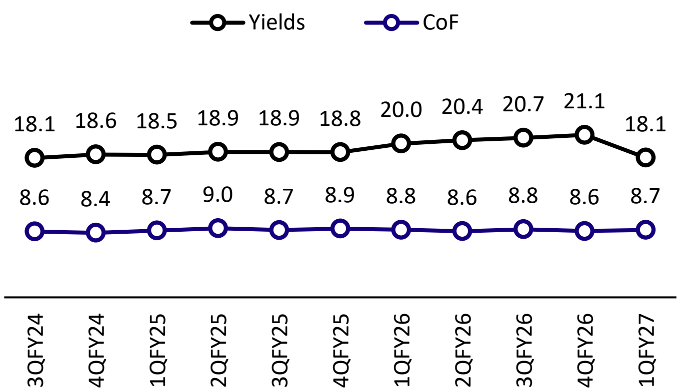
Source: MOFSL, Company, Gold loan portfolio mix

Exhibit 4: 61 new gold loan branches opened in 1QFY27



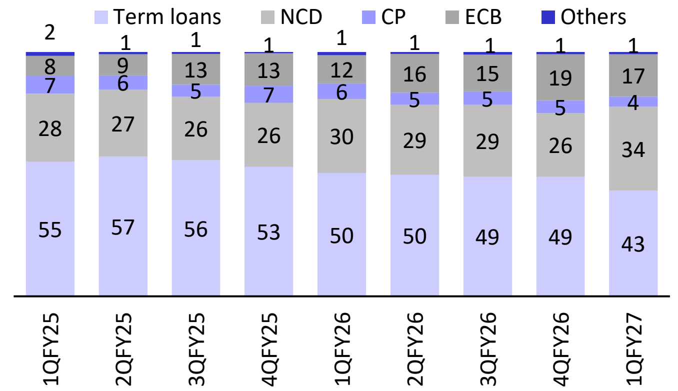
Source: MOFSL, Company

Exhibit 5: Spreads (calc.) declined ~3.1pp QoQ (%)



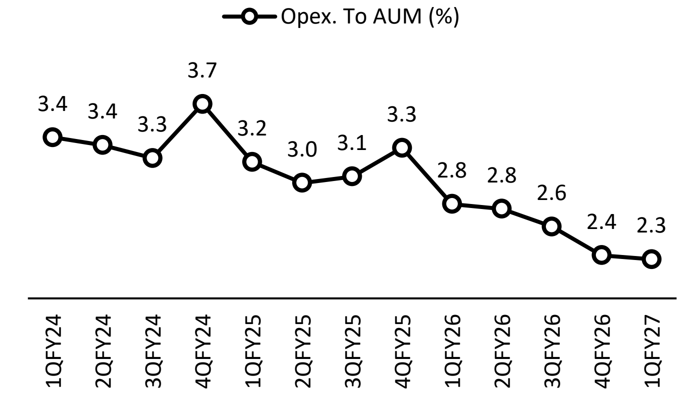
Source: MOFSL, Company

Exhibit 6: NCD share increased in the borrowing mix (%)



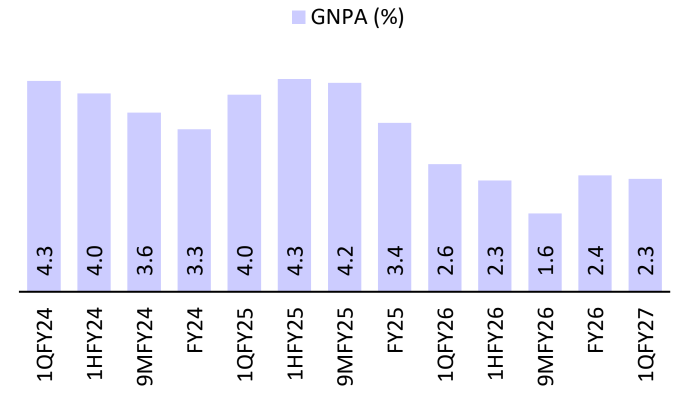
Source: MOFSL, Company, Borrowing mix%

Exhibit 7: Opex/AUM declined marginally QoQ



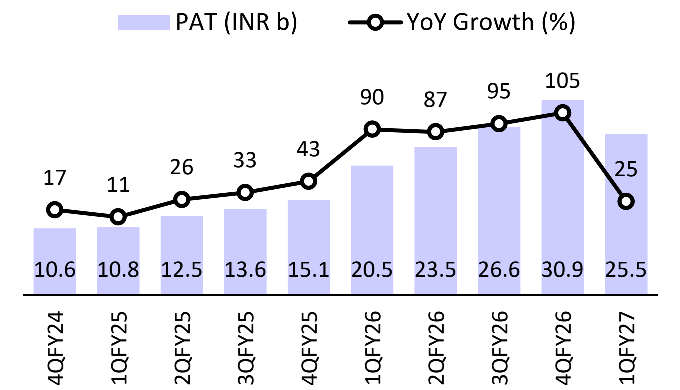
Source: MOFSL, Company

Exhibit 8: GNPA remained stable QoQ (%)



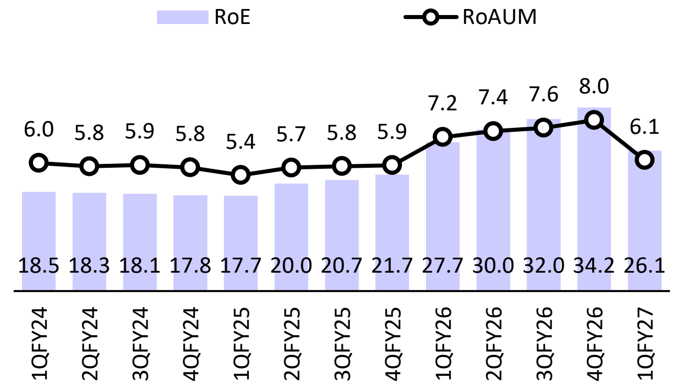
Source: MOFSL, Company

Exhibit 9: PAT in 1QFY27 grew ~25% YoY



Source: MOFSL, Company

Exhibit 10: RoA/RoE at ~6%/26% in 1QFY27



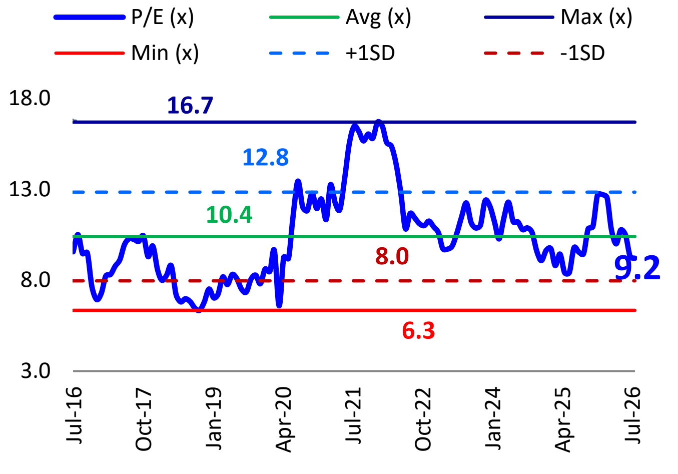
Source: MOFSL, Company

Exhibit 11: We cut our FY27E/FY28E EPS estimates by ~17%/~7% to factor in the sharp NIM compression

INR B	Old Est		New Est		% Change	
	FY27	FY28	FY27	FY28	FY27	FY28
NII	216.8	238.2	184.8	221.2	-14.8	-7.1
Other Income	4.4	4.7	4.5	4.8	2.3	2.1
Net Income	**221.2**	**242.9**	**189.3**	**226.1**	**-14.4**	**-7.0**
Operating Expenses	44.1	52.9	42.2	50.1	-4.4	-5.4
Operating Profits	**177.1**	**190.0**	**147.1**	**176.0**	**-16.9**	**-7.4**
Provisions	6.3	5.9	4.8	5.2	-24.8	-11.8
PBT	**170.8**	**184.1**	**142.4**	**170.7**	**-16.6**	**-7.3**
Tax	43.9	47.3	36.6	43.9	-16.6	-7.3
PAT	**126.9**	**136.8**	**105.8**	**126.9**	**-16.6**	**-7.3**
Loans	2,020	2,323	1,988	2,345	-1.6	1.0
Borrowings	1,709	1,917	1,668	1,938		
Spread (%)	10.6	9.5	8.9	8.7		
RoA (%)	**6.3**	**5.7**	**5.3**	**5.3**		
RoE (%)	**29.4**	**25.1**	**25.0**	**24.3**		

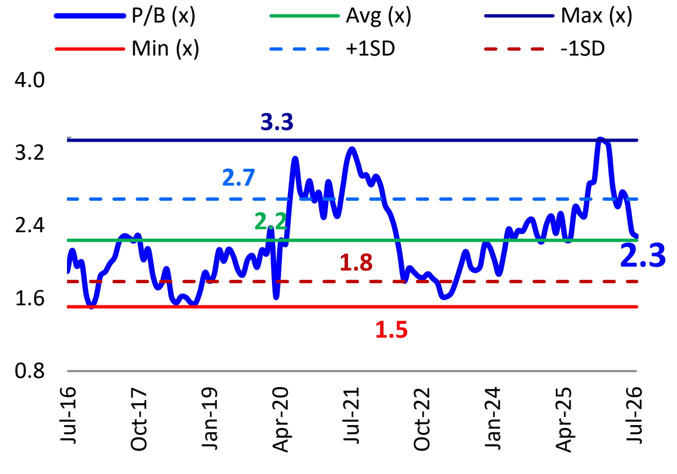
Source: MOFSL, Company

Exhibit 12: One-year forward P/E ratio



Source: MOFSL, Company

Exhibit 13: One-year forward P/B ratio



Source: MOFSL, Company

Financials and valuations

INCOME STATEMENT										(INR M)
Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	67,570	85,644	1,03,285	1,09,560	1,03,686	1,24,476	1,68,770	2,70,665	3,20,732	3,83,488
Interest Expense	22,368	27,909	36,924	38,358	36,991	46,548	64,288	99,410	1,35,965	1,62,268
Net Interest Income	**45,202**	**57,735**	**66,361**	**71,203**	**66,695**	**77,928**	**1,04,482**	**1,71,255**	**1,84,766**	**2,21,220**
Change (%)	5.8	27.7	14.9	7.3	-6.3	16.8	34.1	63.9	7.9	19.7
Other income	1,236	1,584	2,458	1,424	1,751	2,465	2,581	5,334	4,534	4,831
Net Income	**46,438**	**59,319**	**68,819**	**72,626**	**68,446**	**80,393**	**1,07,063**	**1,76,589**	**1,89,301**	**2,26,051**
Change (%)	5.5	27.7	16.0	5.5	-5.8	17.5	33.2	64.9	7.2	19.4
Operating Expenses	15,394	17,787	17,804	18,262	21,177	23,927	28,690	35,435	42,167	50,082
Pre Provision Profits	**31,044**	**41,531**	**51,015**	**54,364**	**47,270**	**56,466**	**78,373**	**1,41,153**	**1,47,134**	**1,75,969**
Change (%)	0.6	33.8	22.8	6.6	-13.0	19.5	38.8	80.1	4.2	19.6
Provisions	275	957	950	1,270	605	1,978	7,667	4,698	4,772	5,222
PBT	**30,768**	**40,574**	**50,065**	**53,094**	**46,664**	**54,488**	**70,706**	**1,36,455**	**1,42,362**	**1,70,747**
Tax	11,047	10,391	12,843	13,551	11,929	13,991	18,698	35,114	36,587	43,882
Tax Rate (%)	35.9	25.6	25.7	25.5	25.6	25.7	26.4	25.7	25.7	25.7
PAT	**19,721**	**30,183**	**37,222**	**39,543**	**34,735**	**40,497**	**52,008**	**1,01,341**	**1,05,775**	**1,26,865**
Change (%)	10.9	53.0	23.3	6.2	-12.2	16.6	28.4	94.9	4.4	19.9
Proposed Dividend	4,818	6,022	8,029	8,029	8,832	9,635	10,438	12,044	14,946	18,053

BALANCE SHEET										(INR M)
Y/E MARCH	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	4,007	4,010	4,012	4,012	4,014	4,015	4,015	4,015	4,015	4,015
Reserves & Surplus	88,151	1,11,708	1,48,377	1,79,432	2,06,605	2,38,888	2,80,361	3,73,410	4,64,239	5,73,051
Equity Networth	**92,158**	**1,15,718**	**1,52,389**	**1,83,444**	**2,10,619**	**2,42,903**	**2,84,375**	**3,77,424**	**4,68,254**	**5,77,066**
Networth	**92,158**	**1,15,718**	**1,52,389**	**1,83,444**	**2,10,619**	**2,42,903**	**2,84,375**	**3,77,424**	**4,68,254**	**5,77,066**
Borrowings	**2,68,332**	**3,71,300**	**4,59,463**	**4,98,113**	**4,97,343**	**5,87,831**	**8,98,198**	**13,84,431**	**16,67,539**	**19,38,424**
Change (%)	26.8	38.4	23.7	8.4	-0.2	18.2	52.8	54.1	20.4	16.2
Other liabilities	**20,198**	**17,578**	**22,798**	**23,990**	**18,236**	**19,551**	**29,915**	**37,590**	**45,108**	**49,618**
Change (%)	11.4	-13.0	29.7	5.2	-24.0	7.2	53.0	25.7	20.0	10.0
Total Liabilities	**3,80,687**	**5,04,597**	**6,34,649**	**7,05,547**	**7,26,198**	**8,50,284**	**12,12,488**	**17,99,445**	**21,80,900**	**25,65,108**
Loans	**3,49,329**	**4,26,042**	**5,40,634**	**5,93,842**	**6,42,649**	**7,70,014**	**10,86,810**	**16,16,021**	**19,87,706**	**23,45,493**
Change (%)	18.4	22.0	26.9	9.8	8.2	19.8	41.1	48.7	23.0	18.0
Investments	**9,826**	**14,383**	**15,903**	**13,205**	**13,169**	**22,683**	**44,991**	**38,546**	**42,401**	**46,641**
Net Fixed Assets	1,867	2,227	2,416	2,637	2,682	3,462	4,892	5,244	5,768	6,345
Other assets	19,666	61,944	75,697	95,863	67,699	54,125	75,796	1,39,634	1,45,025	1,66,629
Total Assets	**3,80,687**	**5,04,597**	**6,34,649**	**7,05,547**	**7,26,198**	**8,50,284**	**12,12,488**	**17,99,445**	**21,80,900**	**25,65,108**

E: MOFSL Estimates

Financials and valuations

RATIOS										(%)
Y/E MARCH	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Spreads Analysis (%)										
Avg Yield on loans	21.0	22.1	21.4	19.3	16.8	17.6	18.2	20.0	17.8	17.7
Avg Cost of funds	9.3	8.7	8.9	8.0	7.4	8.6	8.7	8.7	8.9	9.0
Spreads on loans	11.7	13.4	12.5	11.3	9.3	9.0	9.5	11.3	8.9	8.7
NIMs on AUM	14.3	15.2	14.1	12.9	11.0	11.2	11.3	12.6	10.3	10.3
Profitability Ratios (%)										
RoE	23.2	29.0	27.8	23.5	17.6	17.9	19.7	30.6	25.0	24.3
RoA	5.7	6.8	6.5	5.9	4.9	5.1	5.0	6.7	5.3	5.3
RoA on AUM	6.2	8.0	7.9	7.1	5.7	5.8	5.6	7.5	5.9	5.9
Cost to Income	33.2	30.0	25.9	25.1	30.9	29.8	26.8	20.1	22.3	22.2
Empl. Cost/Op. Exps.	58.3	57.8	56.5	56.4	56.6	58.0	54.6	55.5	56.4	57.0
Asset-Liability Profile (%)										
GNPL ratio (%)	2.7	2.2	0.9	3.0	3.8	3.3	3.4	2.4	2.3	2.3
Debt/Equity (x)	2.9	3.2	3.0	2.7	2.4	2.4	3.2	3.7	3.6	3.4
Average leverage	2.8	3.1	3.1	2.9	2.5	2.4	2.8	3.4	3.6	3.4
CAR	26.1	25.5	27.4	30.0	31.8	30.4	23.7			

Valuations	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Book Value (INR)	230	289	380	457	525	605	708	940	1,166	1,437
Price-BV (x)	**13.6**	**10.8**	**8.2**	**6.8**	**5.9**	**5.2**	**4.4**	**3.3**	**2.7**	**2.2**
EPS (INR)	49.2	75.3	92.8	98.6	86.5	100.9	129.5	252.4	263.5	316.0
EPS Growth (%)	10.8	52.9	23.3	6.2	-12.2	16.6	28.4	94.9	4.4	19.9
Price-Earnings (x)	**63.4**	**41.5**	**33.6**	**31.7**	**36.1**	**30.9**	**24.1**	**12.4**	**11.8**	**9.9**
Dividend	12.0	15.0	20.0	20.0	22.0	24.0	26.0	30.0	37.2	45.0
Dividend Yield (%)	**0.4**	**0.5**	**0.6**	**0.6**	**0.7**	**0.8**	**0.8**	**1.0**	**1.2**	**1.4**

E: MOFSL Estimates

NOTES

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