

CreditAccess Grameen

Estimate change	↑
TP change	↓
Rating change	↔

Bloomberg	CREDAG IN
Equity Shares (m)	160
M.Cap.(INRb)/(USDb)	198.9 / 2.2
52-Week Range (INR)	1490 / 750
1, 6, 12 Rel. Per (%)	0/-3/16
12M Avg Val (INR M)	1131

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	38.8	43.9	52.6
Total Income	41.7	46.3	54.6
PPoP	28.1	30.8	36.9
PAT	7.8	13.9	17.4
EPS (INR)	49.0	87.2	109
EPS Gr. (%)	47	78	25
BV (INR)	485	572	681

Ratios (%)

NIM	15.3	15.0	15.0
C/I ratio	32.7	33.6	32.5
Credit cost	6.6	4.0	3.8
RoA	2.7	4.2	4.4
RoE	10.7	16.5	17.4

Valuations

P/E (x)	25.3	14.2	11.4
P/BV (x)	2.6	2.2	1.8

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	66.3	66.4	66.5
DII	13.2	13.3	14.2
FII	11.7	12.3	9.8
Others	8.8	8.0	9.6

FII Includes depository receipts

CMP: INR1,243 TP: INR1,580 (+27%) Buy

Improved visibility on AUM growth and asset quality

NIM expands 60bp QoQ; significant improvement in PAR accretion in Dec'25

- CREDAG's 3QFY26 PAT stood at INR2.5b (in line). NII grew 13% YoY to ~INR9.8b (in line). Opex grew ~24% YoY to INR3.5b (in line). Cost-to-income ratio rose ~150bp QoQ to ~34% (PQ: ~32.5% and PY: ~31%). The company made additional provisions of INR183m related to new labor codes. PPOP grew ~9% YoY to INR6.8b (in line).
- Disbursements rose ~13% YoY/8% QoQ to ~INR58b. AUM grew 2.6% QoQ and ~7% YoY to ~INR266b. Management indicated that Oct'25 saw a temporary moderation due to festive seasonality; however, disbursement momentum recovered swiftly thereafter, with monthly disbursements exceeding ~INR22b in Dec'25. It expects disbursements to improve further in 4Q, driven by the quarter's strong seasonality.
- Management also shared that it expects MFI segment growth in early teens, while Retail finance is expected to grow at a faster pace, with overall AUM growth target of 20%+ for FY27.
- Reported yields improved ~30bp QoQ to ~21% and CoF declined ~20bp QoQ to 9.4%. Reported NIM rose ~60bp QoQ to ~13.9%, aided by improved yields (due to lower interest income reversals and some benefit from increase in pricing) and a decline in CoB. Management expects NIMs to gradually expand to 14-14.5%, driven by an estimated ~10bp quarterly reduction in borrowing costs for the next 2-3 quarters. We model NIM (calc.) of 15% each in FY27/FY28 (vs. ~15.3% in FY26E).
- CREDAG highlighted that monthly PAR accretion moderated sharply from ~47bp in Sep'25 to ~18bp in Dec'25. If this trend were to sustain through Jan-Mar'26, management may consider reducing its FY27 credit cost guidance. Additionally, it shared that asset quality improvement is evident across geographies, with Karnataka reverting to its normalized levels.
- While our FY26 PAT estimates are broadly unchanged, we raise our FY27 EPS estimate by 7% to factor in lower credit costs of 4% (vs. ~4.5% earlier). We estimate a CAGR of 21%/49% in AUM/PAT over FY25-28, leading to RoA/RoE of ~4.4%/17% in FY28. CREDAG trades at 2.2x FY27E P/BV, and its premium valuations over its MFI peers would sustain. **We reiterate our BUY rating with a revised TP of INR1,580 (based on 2.4x Dec'27E P/BV).**

GNPA up ~40bp QoQ; expect moderation in credit costs in FY27

- GNPA rose ~40bp QoQ to 4%, while NNPA rose ~10bp QoQ to ~1.4%. S3 PCR increased by ~1pp QoQ to ~67.2%. Annualized credit costs declined to ~5.2% (PQ: ~8.1% and PY:~12.3%).
- Total write-off stood at INR2.6b in 3Q, including accelerated write-offs of INR1.8b. Credit costs were elevated, primarily due to INR590m from accelerated write-offs and INR370m arising from higher PCR on standard loans. Management clarified that accelerated write-offs were undertaken only in Oct'25 and it does not expect any further accelerated write-offs.

- Excluding the impact of accelerated write-offs and PCR increase, non-annualized credit cost stood at 96bp in 3QFY26, broadly in line with 109bp of new PAR 15+ accretion during the quarter. We model credit costs of 4%/3.8% in FY26/FY27.

Highlights from the management commentary

- Management shared that Oct'25 saw a temporary slowdown due to festive seasonality, but momentum picked up thereafter, with Dec'25 recording 90k new borrower additions.
- Write-offs in 4QFY26 will pertain to delinquencies that happened in 1QFY26, given the company's 9-month write-off policy. CREDAG already has a ~70% PCR on Stage 3 loans, and only the residual amount will have to be provided for when loans are written-off.
- Retail finance is expected to grow faster than earlier anticipated and make up 15%+ in the AUM mix.

Valuation and view

- CREDAG has successfully navigated a period of industry-wide challenges, demonstrating remarkable resilience, and has reverted to its normalized operational efficiency. New stress formation (including in Karnataka) has normalized, supported by robust internal processes, stable PAR bucket roll-forward rates, and improvement in the PAR 15+ accretion rate.
- With structural levers such as branch network expansion and strengthening collection efficiency across key geographies firmly in motion, it is well-positioned to deliver a strong improvement in loan growth and profitability from FY27 onward.
- CREDAG trades at 2.2x FY27E P/BV. With a strong capital position (Tier-1 of ~26%), it will embark on a strong loan growth trajectory with further normalization in its delinquency trends. **We reiterate our BUY rating with a revised TP of INR1,580 (based on 2.4x Dec'27E P/BV).**

CREDAG: Quarterly Performance

(InR M)

Y/E March	FY25				FY26E				FY25	FY26E	3Q FY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	14,372	14,177	13,376	13,543	13,881	14,141	14,350	15,491	55,468	57,863	14,694	-2
Interest Expenses	5,103	4,846	4,749	4,778	4,822	4,795	4,593	4,835	19,476	19,046	4,834	-5
Net Interest Income	9,268	9,331	8,628	8,765	9,060	9,346	9,756	10,655	35,992	38,818	9,860	-1
YoY Growth (%)	28.7	22.2	7.5	-0.5	-2.3	0.2	13.1	21.6	13.6	7.9	14.3	
Other Income	754	362	443	535	755	949	563	652	2,094	2,919	581	-3
Total Income	10,023	9,693	9,071	9,299	9,815	10,295	10,320	11,307	38,086	41,736	10,441	-1
YoY Growth (%)	27.5	17.7	6.2	-4.8	-2.1	6.2	13.8	21.6	10.7	9.6	15.1	
Operating Expenses	2,929	2,972	2,841	2,959	3,285	3,347	3,515	3,510	11,702	13,636	3,477	1
Operating Profit	7,093	6,721	6,229	6,340	6,530	6,948	6,805	7,797	26,384	28,101	6,965	-2
YoY Growth (%)	30	19	4	-7	-8	3	9	23	10	7	12	
Provisions & Loan Losses	1,746	4,202	7,519	5,829	5,719	5,257	3,426	3,259	19,295	17,660	3,469	-1
Profit before Tax	5,347	2,520	-1,289	511	811	1,692	3,379	4,538	7,089	10,440	3,495	-3
Tax Provisions	1,371	659	-294	39	209	434	858	1,109	1,775	2,610	888	-3
Net Profit	3,977	1,861	-995	472	602	1,258	2,521	3,429	5,314	7,830	2,608	-3
YoY Growth (%)	14.1	-46.4	-128.2	-88.1	-84.9	-32.4	-353.3	626.3	-63.2	47.4	-362.0	
AUM Growth (%)	20.6	11.8	6.1	-2.9	-0.9	3.1	7.1	11.5	(3.3)	9.1	7.4	
NIM (%)	14.0	14.5	13.8	13.8	13.9	14.4	14.9	15.4	14.6	15.3	15.0	
Cost to Income Ratio (%)	29.2	30.7	31.3	31.8	33.5	32.5	34.1	31.0	30.7	32.7	33.3	
Tax Rate (%)	25.6	26.2	22.8	7.6	25.4	25.4	25.4	25.4	25.0	25.0	25.4	
Key Parameters (%)												
Yield on loans	21.0	21.1	20.2	20.4	20.3	20.7	21.0					
Cost of funds	9.8	9.8	9.8	9.8	9.7	9.6	9.4					
Spread	11.2	11.3	10.4	10.6	10.6	11.1	11.6					
NIM	13.0	13.5	12.5	12.7	12.8	13.3	13.9					
Credit cost	2.6	6.7	12.3	9.3	8.9	8.1	5.2					
Cost to Income Ratio (%)	29.2	30.7	31.3	31.8	33.5	32.5	34.1					
Tax Rate (%)	25.6	26.2	22.8	7.6	25.4	25.4	25.4					
Performance ratios (%)												
GLP/Branch (INR m)	133	124	120	126	123	117	120					
GLP/Loan Officer (INR m)	19.6	18.8	19.3	18.4	18.2	17.9	18.4					
Borrowers/Branch	2,522	2,429	2,334	2,275	2,158	2,010	1,981					
Borrowers/Loan Officer	372	369	374	333	318	306	304					
Balance Sheet Parameters												
		-4.5				-0.6						
Gross loan portfolio (INR B)	263.0	251.3	248.1	259.5	260.6	259.0	265.7					
Change YoY (%)	20.6	11.8	6.1	-2.9	-0.9	3.1	7.1					
Disbursements (INR B)	44.8	40.0	50.9	64.7	54.6	53.2	57.7					
Change YoY (%)	-6.2	-19.4	-4.8	-19.6	21.9	33.0	13.4					
Borrowings (INR B)	203.9	192.7	202.3	204.5	200.8	194.9	201.0					
Change YoY (%)	21.2	8.6	6.0	-6.8	-1.5	1.1	-0.6					
Borrowings/Loans (%)	82.7	81.9	87.7	84.2	82.6	80.8	81.0					
Debt/Equity (x)	2.9	2.8	2.9	2.9	2.9	2.7	2.7					
Asset Quality (%)												
GS 3 (INR M)	3,710	6,002	9,780	12,291	12,080	9,261	10,581					
G3 %	1.5	2.4	4.0	4.8	4.7	3.7	4.0					
NS 3 (INR M)	1,144	1,832	3,061	4,326	4,445	3,121	3,471					
NS3 %	0.5	0.8	1.3	1.8	1.8	1.3	1.4					
PCR (%)	69.2	69.5	68.7	64.8	63.2	66.3	67.2					
ECL (%)	2.3	3.5	5.1	5.1	4.7	4.1	4.3					
Return Ratios - YTD (%)												
ROA (Rep)	5.4	2.7	-1.4	0.7	0.9	1.8	3.7					
ROE (Rep)	23.5	10.7	-5.7	2.7	3.4	7.1	14.6					

E: MOFSL Estimates



Key highlights from the management commentary

Guidance

- The growth in MFI segment will be lingering in early teens, whereas Retail finance is expected to grow at a faster rate, with overall AUM growth target of 20%+ for FY27
- 4QFY26 credit costs are expected to remain broadly stable QoQ and the Stage 1 PCR is expected to increase to 1.5%.
- For FY27, management has guided for credit costs of 4.0-4.5%, assuming monthly PAR accretion of 30-35bp. If monthly PAR 15+ accretion sustains at 20-25bp, credit costs could trend lower than the current guidance; management will reassess after observing PAR accretion trends for the next couple of months.
- FY27 AUM growth guidance of ~20% remains intact for now, with a firm outlook to be provided in May'26 with 4Q results.
- With normalized asset quality, a strong balance sheet, improving margins, and scalable digital infrastructure, the company is positioned for robust growth with healthy return ratios over the medium term.
- Management expects NIM to trend toward 14-14.5% over time, supported by ~10bp quarterly reduction in borrowing costs over the next 2-3 quarters.
- The company targets RoA of 4-4.5% across cycles; if RoA exceeds 4.5%, management may consider reducing pricing/lending rates to customers.
- In an MFI uptrend, the company expects RoA of ~4.5% and RoE of 16-17%.

Business momentum and AUM growth

- Oct'25 saw a temporary slowdown due to festive seasonality, but momentum picked up thereafter, with Dec'25 recording 90k new borrower additions.
- The company is witnessing normalization in asset quality across geographies, enabling a renewed focus on growth.
- X-bucket CE was strong at 99.5% in Dec'25, indicating sustained repayment discipline.
- Jan'26 trends remain encouraging, with continued improvement in asset quality; Karnataka has shown a notable recovery, reaching earlier asset quality trends.
- Disbursements grew 13% YoY, with Dec'25 monthly disbursements crossing INR22b. AUM grew 2.6% QoQ and 7% YoY as on Dec'25.
- New customer acquisition is expected to improve meaningfully from 4QFY26 as historical PAR overhang gets cleared.
- 4Q is seasonally strong for the company, and management expects sequentially higher disbursements in the quarter.

Asset quality trends

- Monthly PAR accretion declined sharply from 47bp in Sep'25 to ~18bp in Dec'25. If PAR accretion remains at these levels in Feb'26 and Mar'26, then the company might revisit its FY27 credit costs guidance.
- Improvement is visible across operating geographies, with Karnataka reverting to historical asset quality levels.
- UP, Bihar, and MP continue to see gradual improvement; while QoQ improvement is slower, YoY trends are positive, with further scope for normalization in coming months.
- Jan'26 PAR 15+ accretion trends mirror Dec'25, reinforcing confidence in asset quality stabilization.
- PAR stood at 2.94%, GNPA at 4.04%, and NNPA at 1.36% as of Dec'25.
- Collection efficiency (excluding arrears) stood at 95.5%.

- New PAR accretion has reduced meaningfully, which should result in lower forward flows into higher buckets over time, even though Stage 3 remained elevated due to lag effect.

Credit costs and provisioning

- Credit costs declined QoQ, driven by lower new PAR accretion, though PAR 90+ witnessed higher forward flows during 3QFY26.
- Total credit costs for 3QFY26 stood at INR3.4b. This included INR590m related to accelerated write-offs (taken in Oct'25) and INR370m due to higher PCR on standard loans.
- The company undertook INR1.8b of accelerated write-offs in 3QFY26 pertaining to non-paying accounts. Additionally, accelerated write-offs were undertaken only in Oct'25 and are not expected to recur in 4QFY26.
- Excluding the impact of accelerated write-offs and PCR increases, non-annualized credit cost stood at 96bp for 3QFY26, broadly in line with 109bp of new PAR 15+ accretion during the quarter.
- Write-offs in 4QFY26 will pertain to delinquencies that happened in 1QFY26, given the company's 9-month write-off policy. CREDAG already has a ~70% PCR on Stage 3 loans and only the residual amount will have to be provided for when loans are written-off.
- If the company is able to demonstrate a monthly PAR 15+ accretion rate of 20-25bp, it would translate into lower credit costs in the future. The company will monitor the monthly trend for the next 3 to 4 months before revising lower its credit cost guidance.

MFI business and industry environment

- MFIN guardrails have strengthened overall MFI system quality and credit discipline.
- Rejection rates have increased, reflecting tighter underwriting.
- Approval rates for new customers have moderated to 55-60%, while renewal approval rates stand at ~45% (v/s ~60% earlier), requiring higher effort to acquire new customers to sustain MFI growth.
- MFI growth is expected to remain modest in the near term, with incremental growth increasingly driven by retail finance.

Retail finance portfolio

- Retail finance portfolio share increased to ~14% as of Dec'25, partly aided by slower growth in the group lending book.
- Retail finance AUM stood at INR38b as of Dec'25, comprising multiple unsecured and secured products.
- Unnati loans AUM stood at ~INR17b, with an ATS of INR170k; this borrower segment has stronger cash flows and demonstrated strong credit track record.
- Vishesh individual loans AUM stood at ~INR16b AUM, with an ATS of ~INR80k; while income levels are higher, income demonstrability is lower, implying relatively higher risk.
- PAR 30 for Retail unsecured loans remains below 2%.
- Secured retail portfolio includes ~INR2.7b of mortgage loans, INR2b of Home loans, and INR130m of 2W loans; Mortgage loans have ATS of INR 600-700k, with stable delinquency trends.
- 5-7% of JLG customers migrate to retail finance annually from MFI segment. These retail loans carry interest rates above 20%.

- Retail finance is expected to grow faster than earlier anticipated and become 15%+ in the AUM mix.

Margins

- Yields improved by 30bp QoQ, while cost of borrowing declined by 20bp. NIM expanded 60bp QoQ to 13.9% in 3QFY26.
- Average cost of borrowing declined to 9.4% at the end of 3QFY26, while marginal cost stood at 8.9%, reflecting disciplined liability management.
- Borrowing profile remains diversified, with bank term loans accounting for <60% of borrowings, enabling continued access to funding even during credit cycles.
- The company has increased pricing in 3QFY26 after looking at current credit cost trends. If credit costs improve sustainably, pricing may be reduced but RoA will be protected.

Others

- One-time opex impact of INR183m due to labor law-related provisioning. Cost-to-income ratio stood at ~34%.
- Customer digital platform Mahi has crossed 1m downloads, reflecting strong adoption. The platform enables instant digital loan eligibility checks, supports group loan underwriting, generates targeted leads for retail products, and integrates collections into a cashless ecosystem.
- Digital collections now account for ~20% of total collections, supporting efficiency and scalability.

Key exhibits

Exhibit 1: Disbursements grew ~13% YoY

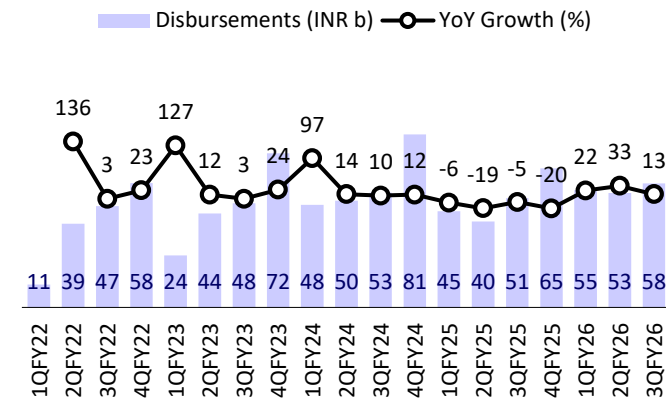


Exhibit 2: GLP grew ~7% YoY to INR266b

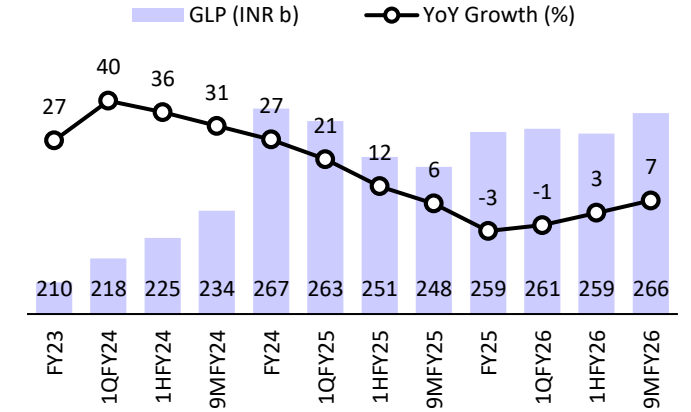


Exhibit 3: Share of Karnataka in AUM declined marginally

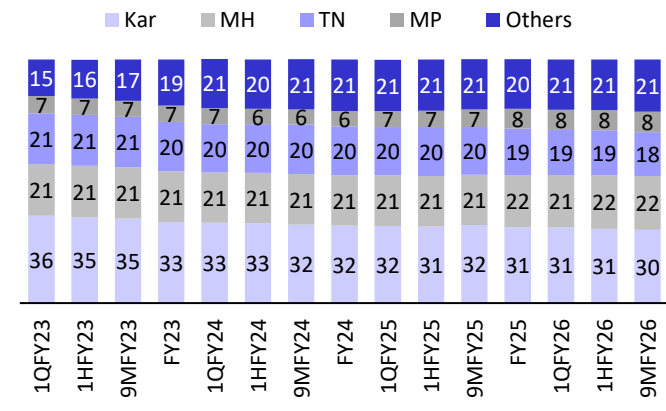


Exhibit 4: Proportion of bank borrowing broadly stable QoQ

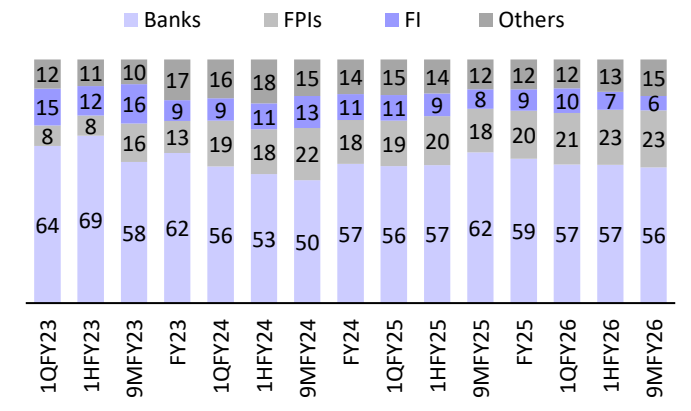


Exhibit 5: Reported NIM rose 60bp QoQ (%)

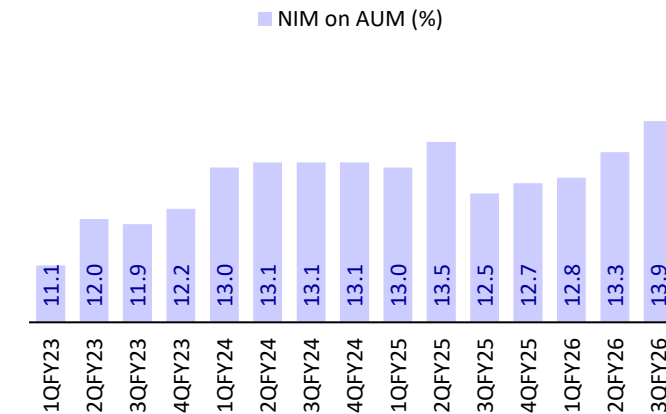


Exhibit 6: C/I ratio improved ~20bp QoQ to ~32.3%

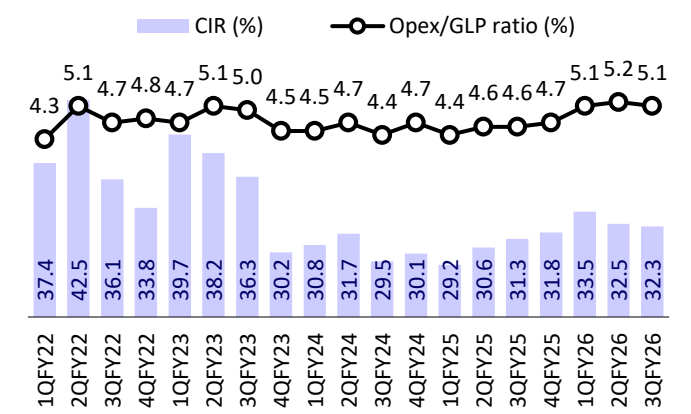
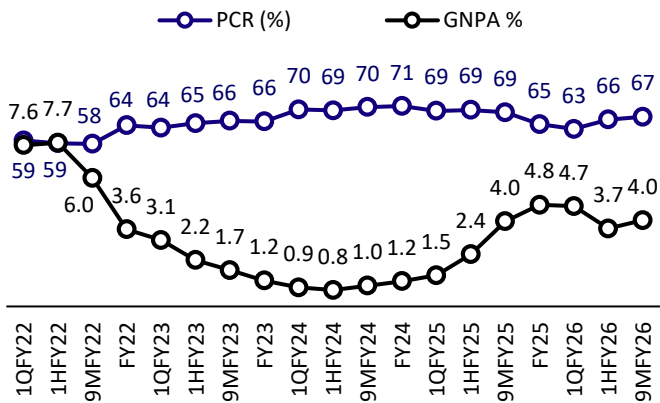
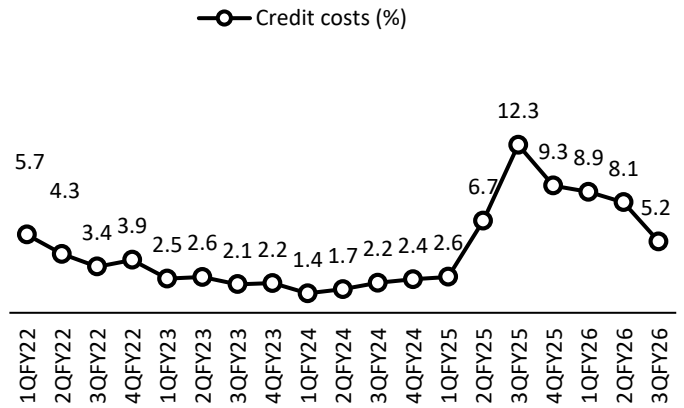


Exhibit 7: GNA rose to ~4.0% as of Dec'25 (%)



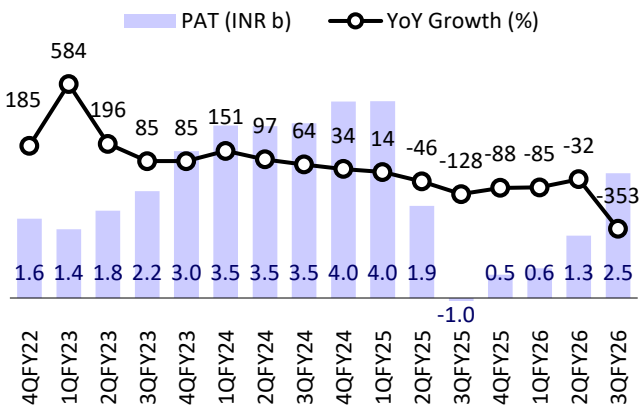
Sources: MOFSL, Company

Exhibit 8: Credit costs improved by ~3pp to ~5.2%



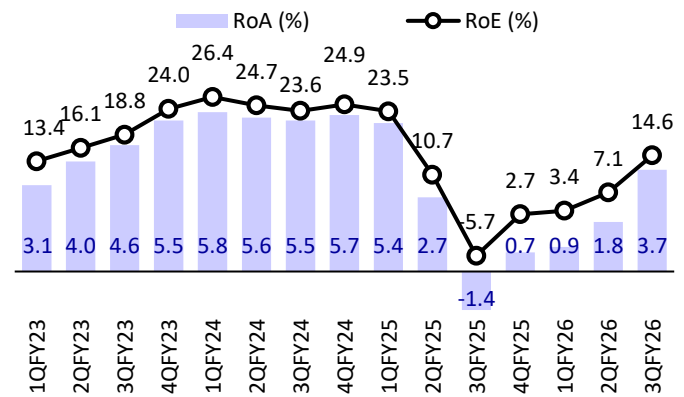
Sources: MOFSL, Company

Exhibit 9: Reported PAT rose to INR2.5b in 3QFY26...



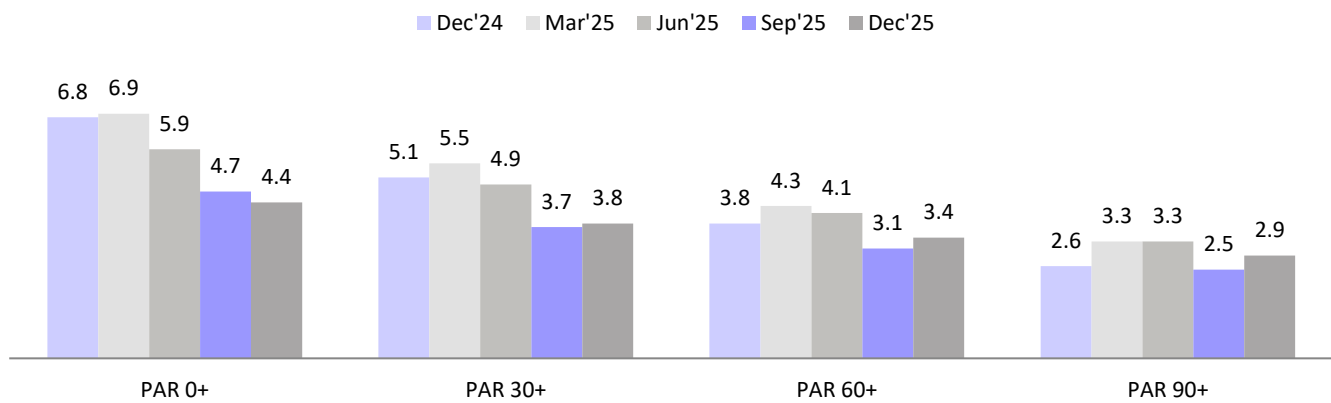
Sources: MOFSL, Company

Exhibit 10: ...eventually improving RoA/RoE to 3.7%/14.6%



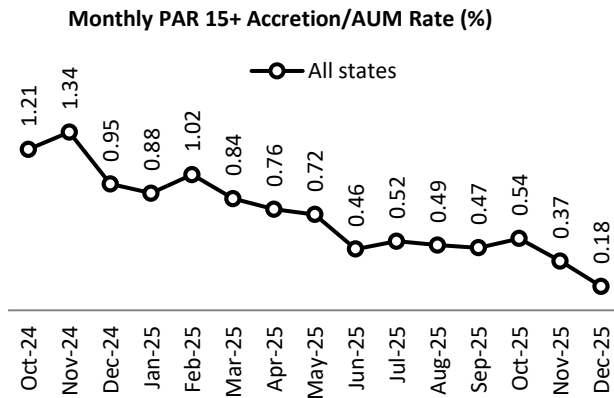
Sources: MOFSL, Company

Exhibit 11: Trends in PAR rates (%)



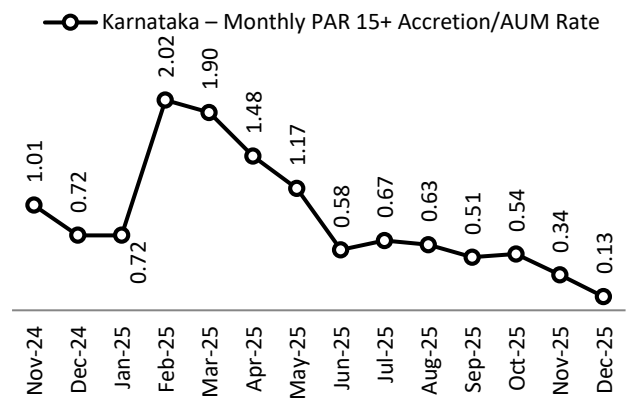
Source: MOFSL, Company

Exhibit 12: Monthly PAR 15+ accretion/AUM rate for all states



Sources: MOFSL, Company

Exhibit 13: Monthly PAR 15+ accretion/AUM rate for Karnataka improved significantly



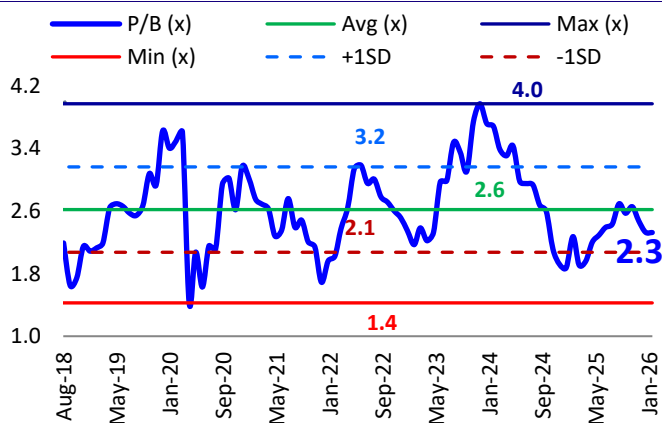
Sources: MOFSL, Company

Exhibit 14: We raise our FY27/FY28 EPS estimates by 7%/2% to factor in lower credit costs and lower DA income

INR B	Old Est.			New Est.			% change		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
NII	39.3	43.9	52.5	38.8	43.9	52.6	-1.3	0.0	0.2
Other Income	3.0	3.0	2.6	2.9	2.4	2.0	-1.7	-18.4	-22.6
Total Income	42.3	46.9	55.1	41.7	46.3	54.6	-1.3	-1.1	-0.9
Operating Expenses	13.8	15.7	18.0	13.6	15.6	17.7	-1.2	-0.6	-1.4
Operating Profits	28.5	31.2	37.1	28.1	30.8	36.9	-1.4	-1.4	-0.7
Provisions	17.8	13.9	14.3	17.7	12.2	13.7	-0.5	-12.3	-4.4
PBT	10.7	17.3	22.8	10.4	18.6	23.2	-2.9	7.3	1.7
Tax	2.7	4.3	5.7	2.6	4.6	5.8	-2.9	7.3	1.7
PAT	8.1	13.0	17.1	7.8	13.9	17.4	-2.9	7.3	1.7
AUM	290	350	420	289	351	422			
Borrowings	220	261	306	220	263	310			
RoA	2.8	3.9	4.4	2.7	4.2	4.4			
RoE	11.0	15.4	17.3	10.7	16.5	17.4			

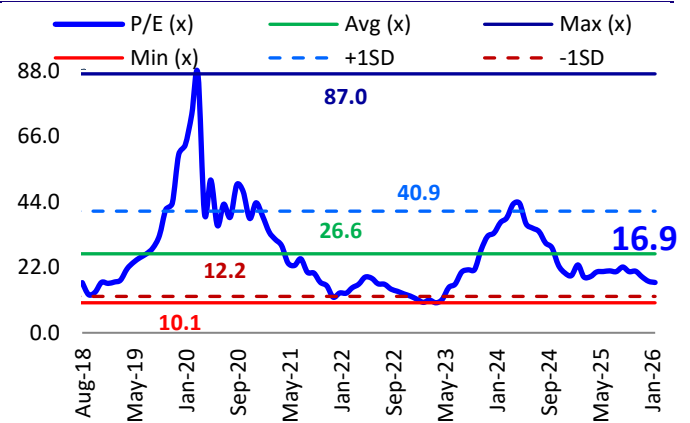
Sources: MOFSL, Company

Exhibit 15: One-year forward P/B



Source: MOFSL, Company

Exhibit 16: One-year forward P/E



Source: MOFSL, Company

Financials and valuations

Income Statement									(INR M)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	16,334	22,900	25,673	33,271	49,001	55,468	57,863	65,150	77,566
Interest Expended	5,783	9,287	9,841	12,129	17,324	19,476	19,046	21,260	24,943
Net Interest Income	10,551	13,613	15,832	21,143	31,677	35,992	38,818	43,890	52,623
Change (%)	31.6	29.0	16.3	33.5	49.8	13.6	7.9	13.1	19.9
Other Income	721	1,760	1,825	2,237	2,725	2,094	2,919	2,432	1,998
Net Income	11,271	15,373	17,657	23,379	34,402	38,086	41,736	46,322	54,621
Change (%)	30.1	36.4	14.9	32.4	47.1	10.7	9.6	11.0	17.9
Operating Expenses	4,283	5,856	6,885	8,315	10,493	11,702	13,636	15,567	17,728
Operating Income	6,989	9,517	10,772	15,064	23,910	26,384	28,101	30,755	36,893
Change (%)	22.1	36.2	13.2	39.8	58.7	10.3	6.5	9.4	20.0
Provisions and W/Offs	2,373	7,714	5,968	4,010	4,518	19,295	17,660	12,175	13,694
PBT	4,616	1,803	4,805	11,054	19,392	7,089	10,440	18,579	23,199
Tax	1,261	490	1,237	2,794	4,933	1,775	2,610	4,645	5,800
Tax Rate (%)	27.3	27.2	25.7	25.3	25.4	25.0	25.0	25.0	25.0
PAT	3,355	1,313	3,568	8,261	14,459	5,314	7,830	13,934	17,399
Change (%)	4.3	-60.9	171.7	131.5	75.0	-63.2	47.4	78.0	24.9
Proposed Dividend (Incl Tax)	0	0	0	0	1,594	0	0	0	0

Balance Sheet									(INR M)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	1,440	1,556	1,559	1,589	1,594	1,597	1,597	1,597	1,597
Reserves & Surplus	25,902	35,360	38,218	49,481	64,106	67,963	75,793	89,727	1,07,126
Net Worth	27,342	36,916	39,777	51,070	65,700	69,560	77,390	91,324	1,08,723
Borrowings	95,397	1,09,413	1,29,207	1,63,123	2,18,410	2,04,458	2,19,720	2,63,465	3,09,940
Change (%)	96.0	14.7	18.1	26.2	33.9	-6.4	7.5	19.9	17.6
Other liabilities	3,163	4,264	4,964	4,389	4,352	4,005	4,235	4,479	4,738
Total Liabilities	1,25,902	1,50,592	1,73,948	2,18,581	2,88,462	2,78,022	3,01,345	3,59,268	4,23,402
Cash and bank balances	7,176	24,844	17,614	14,364	13,139	14,428	14,366	15,331	15,097
Loans and Advances	1,10,989	1,17,205	1,47,653	1,90,433	2,51,050	2,42,745	2,64,723	3,20,128	3,82,879
Change (%)	68.1	5.6	26.0	29.0	31.8	-3.3	9.1	20.9	19.6
Fixed Assets	5,793	5,734	5,739	968	1,214	1,307	1,438	1,653	1,901
Investments	456	5	5	4,545	14,389	8,930	9,377	9,845	10,338
Intangible Assets	0	0	4,673	5,061	4,923	4,764	4,764	4,764	4,764
Other Assets	1,488	2,804	2,937	3,208	3,747	5,849	6,677	7,547	8,423
Total Assets	1,25,447	1,50,587	1,73,942	2,18,581	2,88,462	2,78,022	3,01,345	3,59,268	4,23,402

E: MOFSL Estimates

Financials and valuations

Ratios							(%)		
AUM and Disbursements (INR m)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
AUM	1,19,960	1,35,870	1,65,990	2,10,320	2,67,140	2,59,480	2,89,322	3,50,622	4,21,502
YoY growth (%)	67.6	13.3	22.2	26.7	27.0	-2.9	11.5	21.2	20.2
Disbursements	1,08,040	1,10,104	1,54,670	1,88,090	2,31,340	2,00,360	2,37,166	2,86,971	3,44,365
YoY growth (%)	31.4	1.9	40.5	21.6	23.0	-13.4	18.4	21.0	20.0
Ratios							(%)		
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Spreads Analysis (%)									
Yield on Portfolio	18.1	19.8	19.2	19.4	21.8	22.0	22.5	22.0	21.8
Cost of Borrowings	8.0	9.1	8.2	8.3	9.1	9.2	9.0	8.8	8.7
Interest Spread	10.1	10.7	11.0	11.1	12.7	12.8	13.5	13.2	13.1
Net Interest Margin	11.9	11.9	12.0	12.5	14.4	14.6	15.3	15.0	15.0
Profitability Ratios (%)									
RoE	13.2	4.1	9.3	18.2	24.8	7.9	10.7	16.5	17.4
RoA (on balance sheet)	3.4	0.9	2.2	4.2	5.7	1.9	2.7	4.2	4.4
Debt: Equity (x)	3.5	3.0	3.2	3.2	3.3	2.9	2.8	2.9	2.9
Leverage (x)	3.9	4.3	4.2	4.3	4.4	4.0	3.9	3.9	3.9
Efficiency Ratios (%)									
Int. Expended/Int.Earned	35.4	40.6	38.3	36.5	35.4	35.1	32.9	32.6	32.2
Op. Exps./Net Income	38.0	38.1	39.0	35.6	30.5	30.7	32.7	33.6	32.5
Empl. Cost/Op. Exps.	61.2	64.9	63.6	62.0	63.8	62.4	65.3	65.8	66.5
Other Income/Net Income	6.4	11.5	10.3	9.6	7.9	5.5	7.0	5.3	3.7
Asset quality									
GNPA	1,738	5,487	5,587	2,364	3,026	12,256	10,753	7,639	5,495
NNPA	458	1,686	1,974	808	877	4,287	3,441	2,292	1,539
GNPA %	1.5	4.5	3.7	1.2	1.2	4.8	3.9	2.3	1.4
NNPA %	0.4	1.4	1.3	0.4	0.3	1.7	1.3	0.7	0.4
PCR %	73.6	69.3	64.7	65.8	71.0	65.0	68.0	70.0	72.0
Valuation							FY26E	FY27E	FY28E
	FY20	FY21	FY22	FY23	FY24	FY25			
Book Value (INR)	190	237	255	321	412	436	485	572	681
BV Growth (%)	15.3	25.0	7.5	25.9	28.3	5.6	11.3	18.0	19.1
Price-BV (x)	6.5	5.2	4.9	3.9	3.0	2.8	2.6	2.2	1.8
EPS (INR)	23.3	8.4	22.9	52.0	90.7	33.3	49.0	87.2	108.9
EPS Growth (%)	3.9	-63.8	171.2	127.1	74.5	-63.3	47.4	78.0	24.9
Price-Earnings (x)	53.2	146.9	54.2	23.9	13.7	37.3	25.3	14.2	11.4
Dividend per share	0.0	0.0	0.0	0.0	10.0	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

E: MOFSL Estimates

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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