

Aptus Value Housing Finance India

Value emerging; upgrade to ADD

APTUS remains focused on the core customer segment - LIG, self-employed and rural-based customers, constituting >70% of AUM to scale up its portfolio to INR 250bn by FY29. The company's superior profitability (~7.5% RoA; ~19-20% RoE) stems from strong risk-adjusted yields (~17%), superior operating efficiency (CI at 20%; opex to assets at 2.7%) and low leverage (D/E at 1.6x). However, APTUS's scalability outside core markets and core products has been protracted over the last few years. Further, the conservative approach in underwriting, focus on superior profitability and moderation in housing demand has led to moderation in loan growth at its current scale (AUM of INR 118bn). However, current valuations (2.3x Sep-27 ABVPS) is turning the risk-reward favorable, amidst visibility of ~20-22% AUM growth. We revise our earnings estimates to factor in higher other income and marginally lower loan growth and upgrade APTUS from REDUCE to ADD with a revised RI-based TP of INR 330 (implying 2.7x Sep-27 ABVPS; 14x Sep-27 EPS).

- Focus remains on the core product segment; protracted diversification:** APTUS remains focused on the informal segment: LIG (75%), self-employed (79%) and rural areas (83%) in the four core states constituting >99% of AUM. With significant pricing power (average yields of ~17%) and stable asset quality in the chosen customer segment (credit costs of ~40-50bps), APTUS continues to deliver strong risk-adjusted returns. While the loan growth has been predominantly driven by volume growth during FY19-FY25, APTUS is incrementally focusing on higher ticket size (> INR 0.7mn) for customer diversification. However, geographical diversification has been protracted, with Odisha and Maharashtra contributing to ~0.7% of AUM.
- Operating efficiency – fully optimized:** APTUS continues to deliver industry-leading operating efficiency (C/I ratio of 20%) among affordable-focused HFCs. Superior operating efficiency, despite similar productivity at per branch/per employee level (Exhibit 13), is largely due to its lean operating structure (lower overheads) and higher yields. However, we expect limited further improvement in operating efficiency ratios, going ahead.
- Moderating loan growth; medium-term guidance key monitorable:** APTUS's loan growth has moderated significantly from ~29% in FY24 to ~22% YoY in Q2FY26, with disbursements growth of 8% YoY in H1FY26. While the company has an aspiration of INR 250bn by FY29 (implying ~23% CAGR), the moderating pace of growth in the standalone entity, and the protracted scale-up outside core markets are likely to weigh on growth aspirations.
- Risk-reward turning favorable; upgrade to ADD:** APTUS's stock price returns have remained muted post listing (3-yr CAGR of -3%) despite ~26% earnings CAGR during FY22-FY25. However, the moderating pace of loan growth (~22%), along with protracted scalability outside core geographies seems to be largely factored in current valuation (2.3x Sep-27 ABVPS). The favorable risk-reward drives our upgrade to ADD.

Financial Summary (Consolidated)

Y/E Mar (INR bn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
NII	7.8	9.3	11.3	13.3	15.8	18.9
PPOP	6.9	8.2	10.0	12.8	14.6	17.2
PAT	5.0	6.1	7.5	9.3	10.6	12.5
EPS (INR)	10.1	12.3	15.0	18.6	21.2	25.0
ROAE (%)	16.1	17.2	18.6	19.9	19.6	19.9
ROAA (%)	7.8	7.6	7.4	7.5	7.1	6.9
ABVPS (INR)	66	74	84	98	113	131
P/ABV (x)	4.2	3.7	3.3	2.8	2.5	2.1
P/E (x)	27.5	22.6	18.5	14.9	13.1	11.1

Source: Company, HSIE Research

ADD

CMP (as on 08 Jan 2026)	INR 280	
Target Price	INR 330	
NIFTY	25,877	
KEY CHANGES	OLD	NEW
Rating	REDUCE	ADD
Price Target	INR 325	INR 330
EPS %	FY26E	FY27E
	1.1%	0.1%

KEY STOCK DATA

Bloomberg code	APTUS IN
No. of Shares (mn)	501
MCap (INR bn) / (\$ mn)	140/1,556
6m avg traded value (INR mn)	586
52 Week high / low	INR 365/268

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(9.7)	(16.5)	(3.9)
Relative (%)	(12.6)	(17.1)	(11.6)

SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	40.4	23.9
FIs & Local MFs	16.0	25.9
FPIs	30.4	35.4
Public & Others	13.2	14.9
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

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Aptus Value Housing Finance India: Company Update

Exhibit 1: Annual report dashboard

APTUS IN	Units	FY21	FY22	FY23	FY24	FY25
AUM (INR bn)	INR bn	41	52	67	87	109
As % of gross advances						
CRE exposure	%	0%	0%	0%	0%	0%
Capital market exposure	%	0%	0%	0%	0%	0%
Secured	%	100%	100%	100%	100%	100%
RWA as % of assets	%	56%	56%	54%	50%	45%
Productivity (per month)						
AUM/branch	INR mn	223	260	307	354	387
AUM/employee	INR mn	23	25	29	33	35
Disbursements/branch	INR mn	5.9	6.9	9.1	10.6	10.7
Disbursements/employee	INR mn	0.6	0.7	0.9	1.0	1.0
% YoY						
AUM/branch	%	11%	17%	18%	15%	9%
AUM/employee	%	7%	10%	16%	14%	6%
Disbursements/branch	%	-11%	16%	32%	16%	1%
Disbursements/employee	%	-14%	9%	30%	15%	-2%
Concentration metrics						
Top 20 - % of advances	%	0.2%	0.1%	0.1%	0.1%	0.1%
Top 20 - % of exposure	%	0.2%	0.1%	0.1%	0.1%	0.1%
Top 20 - % of deposits	%	0.0%	0.0%	0.0%	0.0%	0.0%
Top 10 - % GNPA	%	8.6%	3.8%	3.3%	2.3%	1.5%
Off-balance sheet						
% opening AUM assigned	%	0.0%	0.0%	0.0%	0.0%	0.9%
Income from portfolio assigned %	%	NA	NA	NA	NA	21.5%
Assets assigned o/s (% of AUM)	%	1.6%	1.2%	1.1%	1.2%	1.2%
Liabilities						
Borrowings mix						
Banks - Term loans	%	52%	47%	59%	62%	52%
ECB	%	0%	0%	0%	0%	0%
Debentures	%	17%	15%	10%	6%	19%
Tier II	%	0%	0%	0%	0%	0%
Securitisation	%	6%	4%	4%	8%	10%
NHB	%	23%	32%	26%	24%	15%
Others	%	0%	0%	0%	0%	0%
LCR %	%	NA	452%	119%	143%	166%
Employee attrition rate %	%	17%	19%	23%	23%	24%
Asset Quality						
GS II %	%	10.0%	8.7%	4.8%	5.0%	4.8%
GS III %	%	0.7%	1.2%	1.2%	1.1%	1.2%
Write-offs (%)	%	0.1%	0.0%	0.0%	0.0%	0.0%
Gross Slippages (%)	%	0.3%	1.3%	1.1%	1.0%	1.1%
Upgrades & recoveries (%)	%	1.0%	0.5%	0.8%	0.8%	0.8%
Net Slippages (%)	%	-0.8%	0.8%	0.3%	0.2%	0.3%
PCR - Stage I (%)	%	0.1%	0.3%	0.6%	0.5%	0.5%
PCR - Stage II (%)	%	0.6%	2.3%	4.3%	5.7%	4.3%
PCR - Stage III (%)	%	27.5%	25.3%	25.6%	25.7%	25.7%
Portfolio mix						
% assets (net of intangibles)						
Housing	%	50.6%	53.0%	55.5%	61.2%	64.0%
Housing (Individuals)	%	50.6%	53.0%	55.5%	61.2%	64.0%

Source: Company, HSIE Research

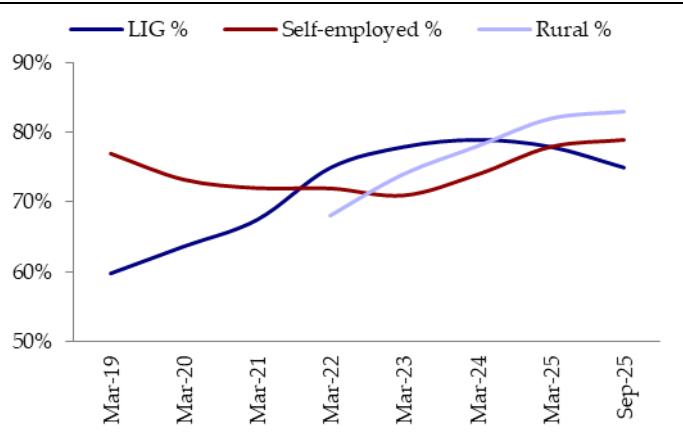
Aptus Value Housing Finance India: Company Update

Focus remains on the core segments/geographies; protracted diversification

- **Current mix playing out well from profitability perspective:** APTUS remains focused on the informal segment - LIG (75% of AUM), self-employed (79% of AUM) and rural areas (83% of AUM) to expand its portfolio from INR 118bn currently to INR 250bn by FY29. The selected target customer segment in rural areas drives significant pricing power (average yields of ~17%) and lower BT-outs (~2.5% annualized).

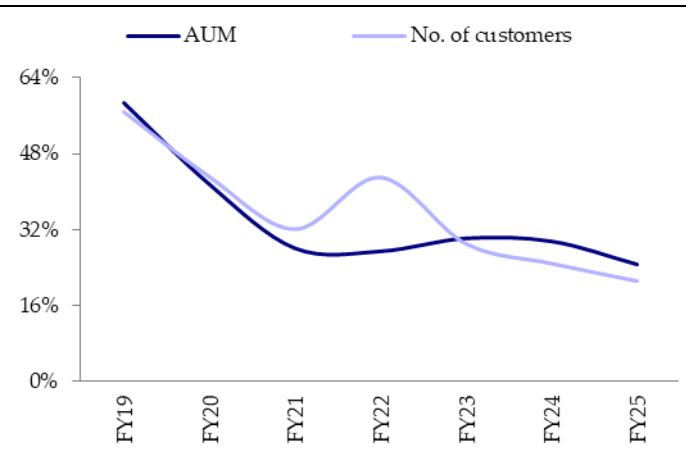
AUM growth during FY19-FY25 seems to be largely driven by growth in the number of customers, with little uptick in average ticket size. The company has recently tweaked its policy to focus on ticket sizes higher than INR 0.7mn ticket size going ahead for customer diversification.

Exhibit 2: APTUS's share of LIG, self-employed and rural customers as % of AUM



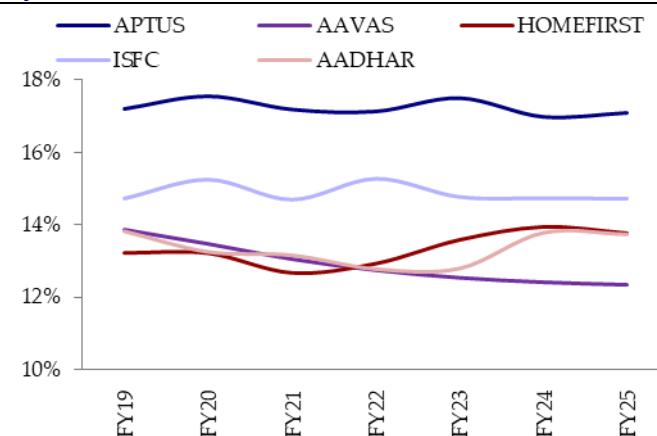
Source: Company, HSIE Research

Exhibit 4: AUM growth is largely driven by growth in number of customers



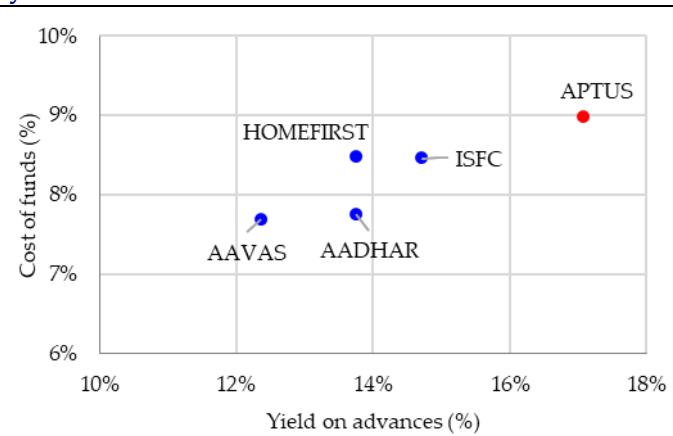
Source: Company, HSIE Research

Exhibit 3: APTUS has higher portfolio yield vs. peers (yield on advances)



Source: Company, HSIE Research

Exhibit 5: Higher cost of liabilities offset by higher yields (FY25)

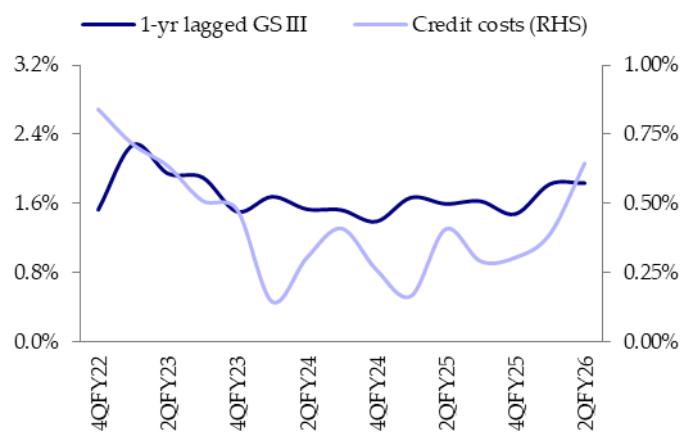


Source: Company, HSIE Research

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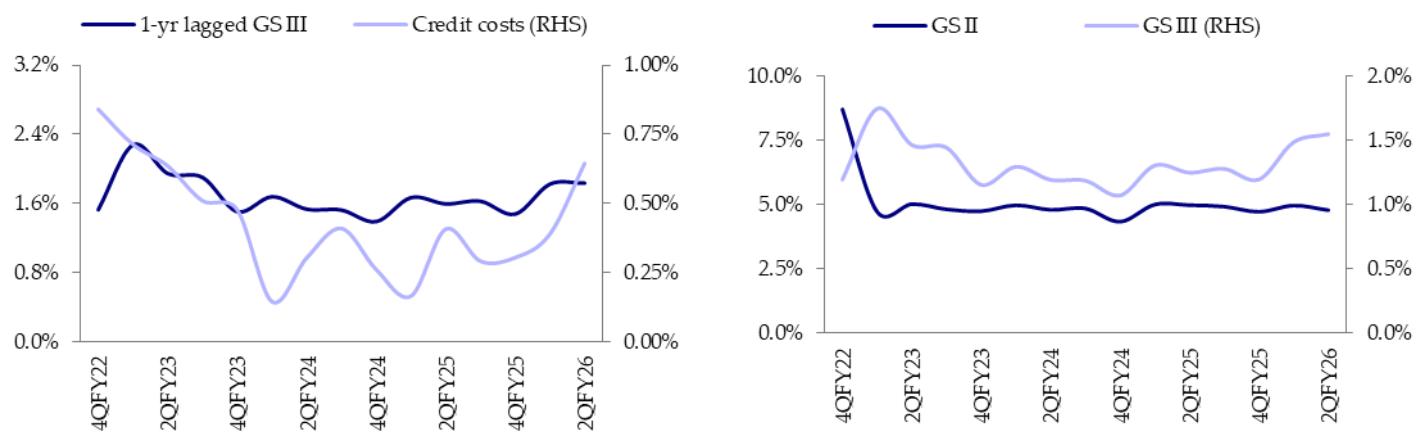
APTUS's asset quality has remained healthy over the last couple of years amidst the challenging macro environment. Early delinquencies remain on the higher side compared to peers (~5% vs. ~2-3% for peers) due to uneven cash flows of the underlying borrowers. However, conservative underwriting and healthy collections and recoveries efforts drives credit costs of ~40-50bps.

Exhibit 6: Marginal uptick in credit costs, Steady GS III on 1Y lag basis



Source: Company, HSIE Research

Exhibit 7: Steady early delinquencies

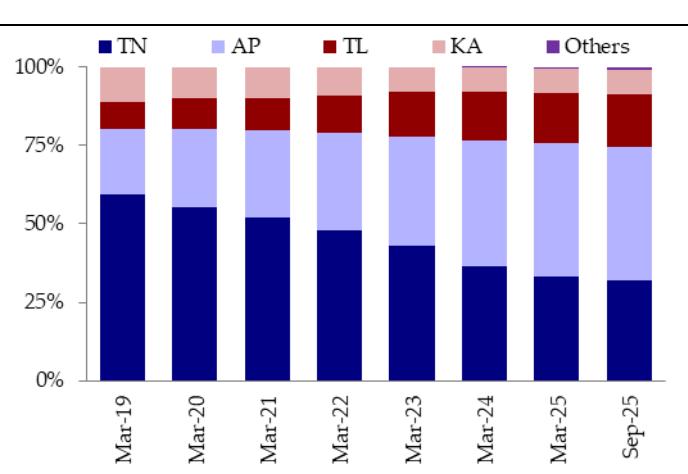


Source: Company, HSIE Research

- **Protracted geographical expansion beyond core states:** APTUS's geographical mix remains concentrated in the four core states: Tamil Nadu (32%), Andhra Pradesh (43%), Telangana (17%) and Karnataka (8%). While Tamil Nadu has witnessed certain challenges due to employee attrition etc., it has rebound on growth as those issues abated, although the competitive intensity remains elevated in Tamil Nadu.

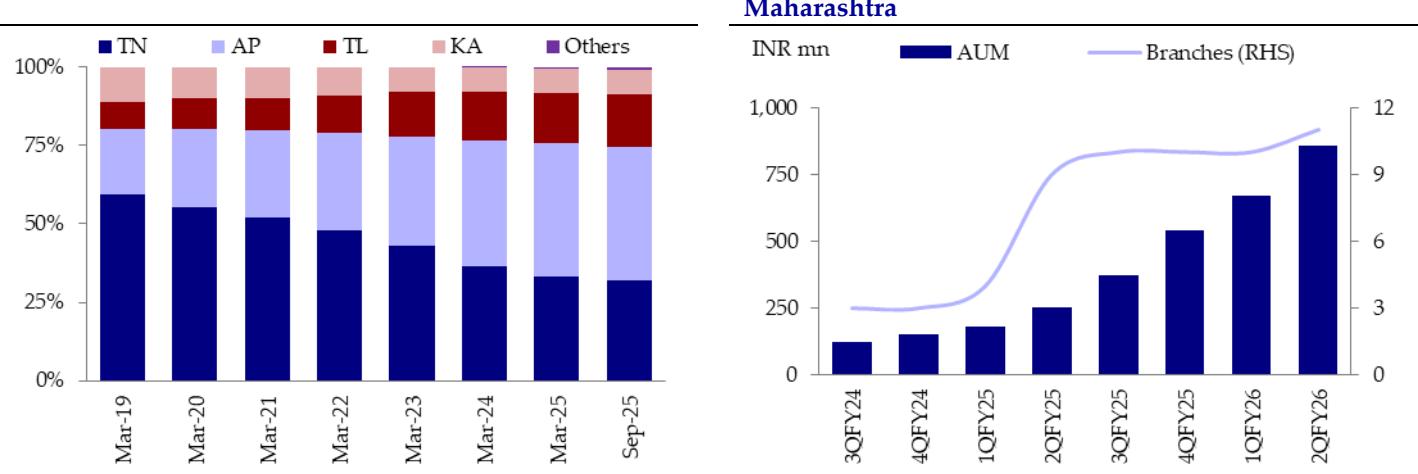
Portfolio scale-up in newer states (Odisha and Maharashtra) has been at a protracted pace over the last three years with 11 branches currently and 0.7% of AUM. Slower pace of growth in the newer states, along with yet to be demonstrated strong profitability in these geographies, remain a key monitorable.

Exhibit 8: State-wise AUM mix



Source: Company, HSIE Research

Exhibit 9: Portfolio in the states of Odisha and Maharashtra



Source: Company, HSIE Research

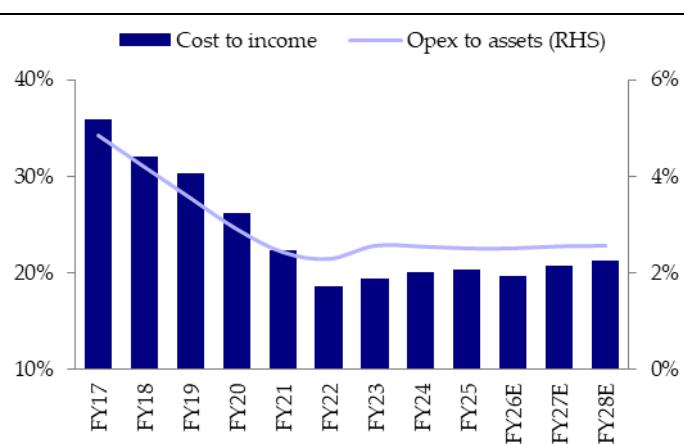
Aptus Value Housing Finance India: Company Update

Operating efficiency – fully optimized

- **Best-in-class operating efficiency:** APTUS continues to deliver industry-leading operating efficiency (C/I ratio of 20%) among affordable-focused HFCs. Superior operating efficiency, despite similar productivity at per branch/per employee level is largely due to its lean operating structure (lower overheads) and higher yields.

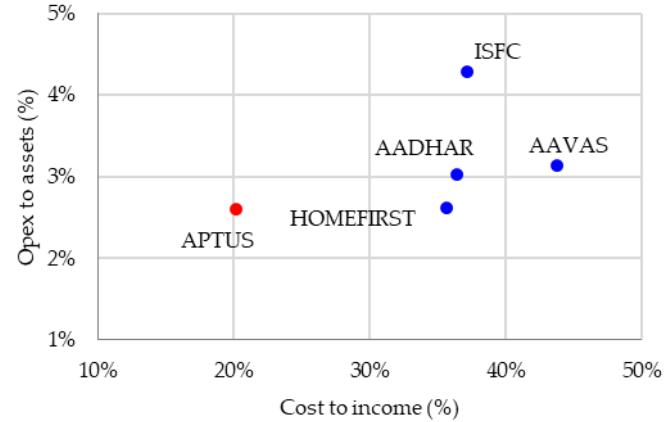
We expect limited improvement in operating efficiency going ahead due to limited room for any further meaningful optimization.

Exhibit 10: Steady operating efficiency since FY22



Source: Company, HSIE Research

Exhibit 11: Superior operating efficiency vs. peers (FY25)

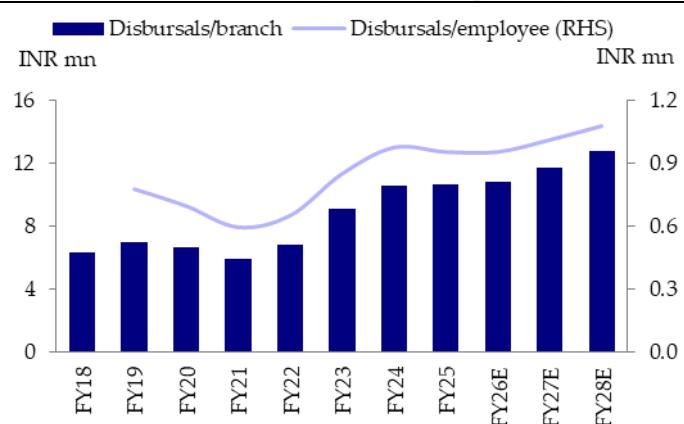


Source: Company, HSIE Research

- **Productivity levels nearly at par with peers:** APTUS's productivity levels have been steadily increasing over the last few years. While productivity at an employee level (disbursements per employee) is superior compared to AAVAS and ISFC, branch level productivity is marginally inferior compared to peers due to lower employee count per branch.

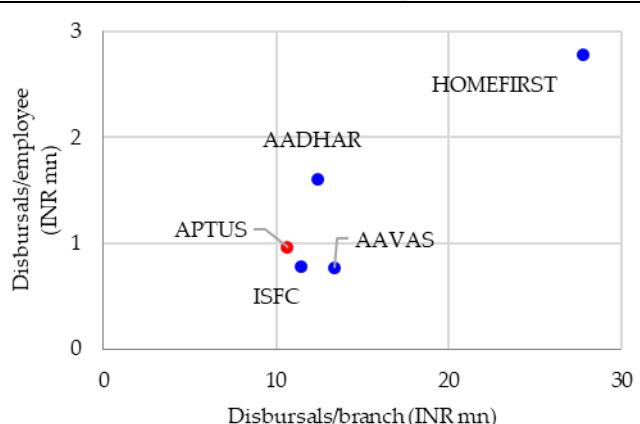
HOMEFIRST has significantly higher throughput metrics due to different operating structure and product profile.

Exhibit 12: Productivity gradually improving



Source: Company, HSIE Research

Exhibit 13: Productivity metrics vs. peers (FY25)

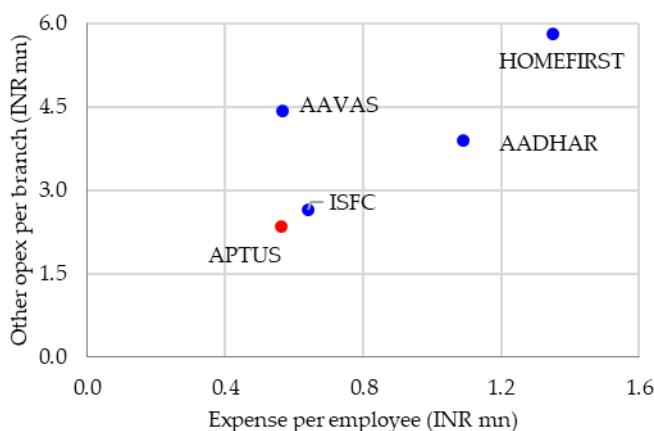


Source: Company, HSIE Research

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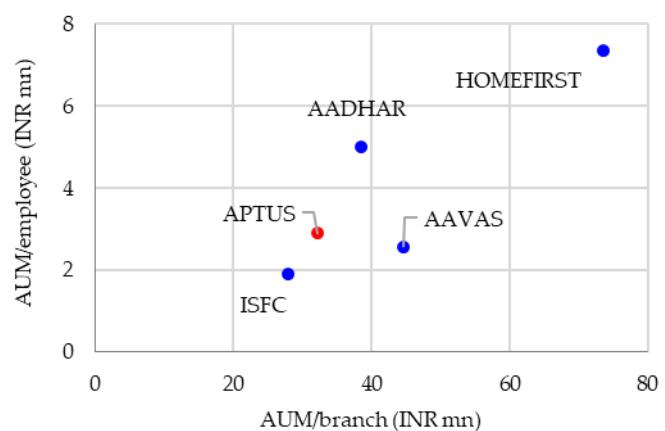
- **Lean cost structure, along with higher yields driving best-in-class C/I ratio:** APTUS has one of the lowest costs structures (employee expenses, branch overheads etc.) among peers. Further, higher yields (and subsequently NIMs) also aid in driving best-in-class cost to income ratio at 20%, which is significantly lower than peers (~35-40%).

Exhibit 14: Expense per employee and other opex per branch vs. peers (FY25)



Source: Company, HSIE Research

Exhibit 15: Productivity at AUM level vs. peers (FY25)



Source: Company, HSIE Research

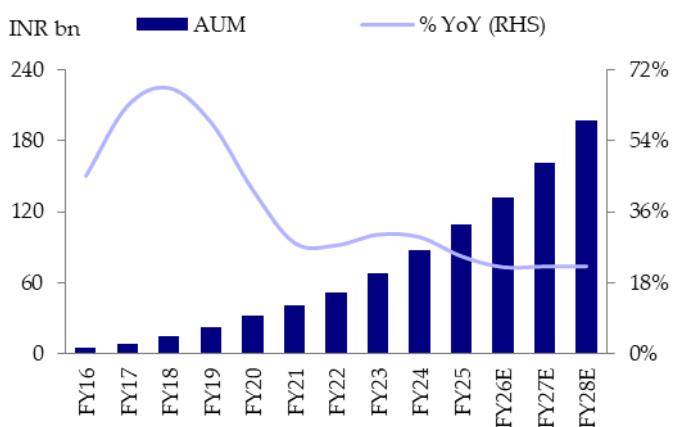
Aptus Value Housing Finance India: Company Update

Moderating loan growth; medium-term guidance key monitorable

- **AUM growth likely to hover around ~22%:** APTUS's loan growth has moderated significantly from ~29% in FY24 to ~22% YoY in Q2FY26, with disbursements growth of 8% YoY in H1FY26. Moderation in loan growth could be attributed to muted macro environment, elevated competitive intensity and laser-sharp focus on core products/geography and profitability.

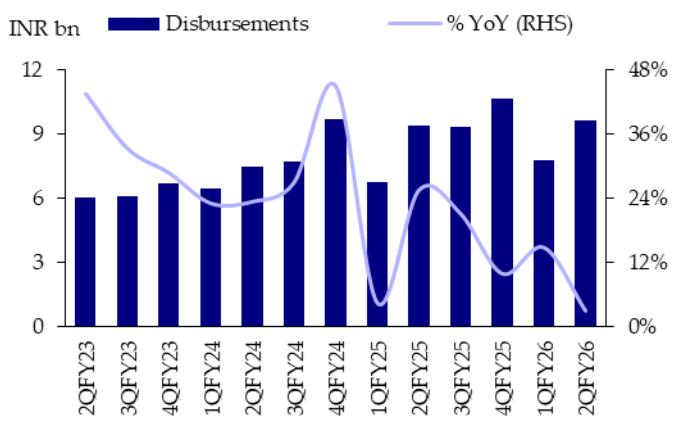
APTUS has an aspiration of AUM of INR 250bn by FY29 (implying ~23% CAGR), driven by increasing distribution network, large addressable market and increasing ticket size, going ahead. We expect an uptick in disbursements growth going ahead, driving ~22% AUM CAGR with improving macro environment, along with impact of fiscal and monetary measures during the last year.

Exhibit 16: Expect ~22% AUM CAGR during FY26E-FY28E



Source: Company, HSIE Research

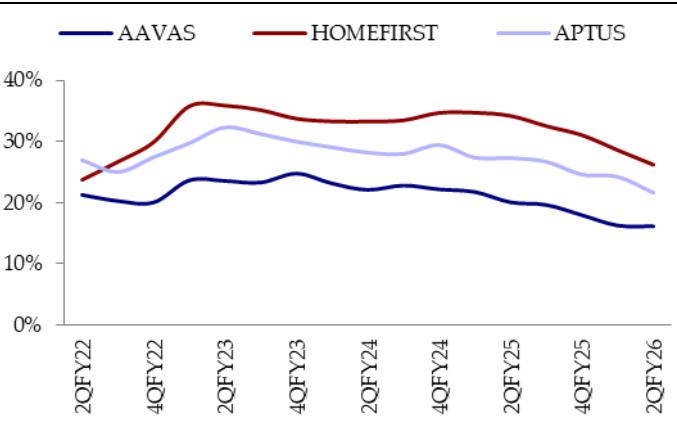
Exhibit 17: Muted disbursements growth in the recent quarters



Source: Company, HSIE Research

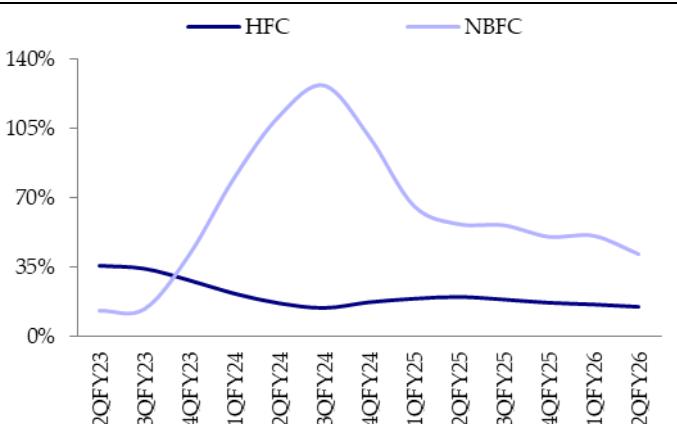
APTUS's loan growth has been augmented by the NBFC subsidiary (predominantly providing small business loans), while loan growth in the standalone HFC entity has moderated to ~15% YoY. The NBFC subsidiary provides the opportunity to tap the Micro LAP and other segments, without breaching the principal business criteria threshold for the HFC entity.

Exhibit 18: AUM growth (% YoY) has moderated for peers as well



Source: Company, HSIE Research

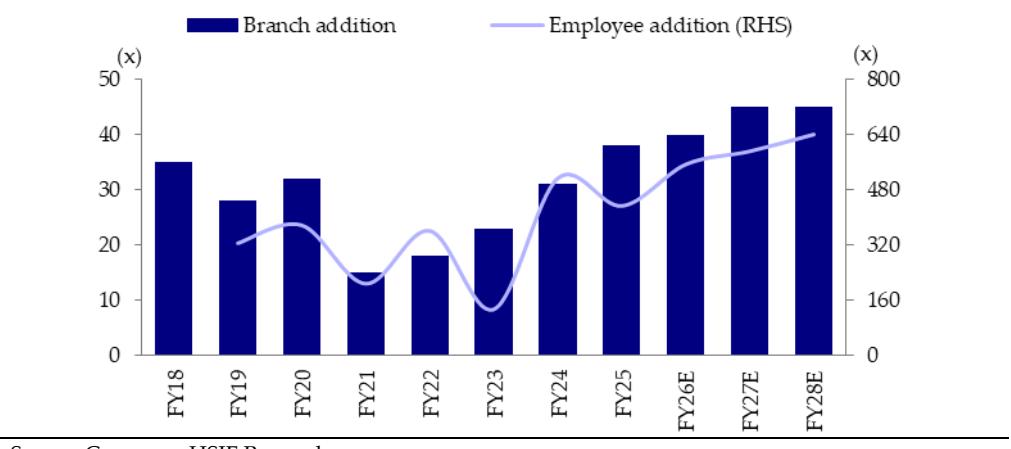
Exhibit 19: NBFC subsidiary growing at a faster pace compared to the standalone entity (AUM growth - % YoY)



Source: Company, HSIE Research

Aptus Value Housing Finance India: Company Update

Exhibit 20: Expect steady addition in branches and employees during FY26E-FY28E



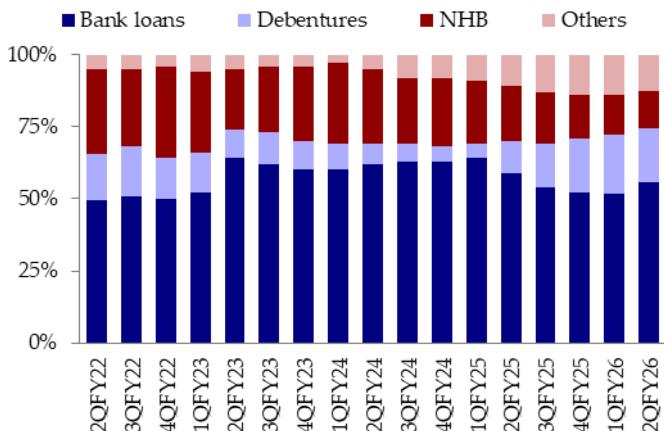
Source: Company, HSIE Research

Aptus Value Housing Finance India: Company Update

Risk-reward turning favorable; upgrade to ADD

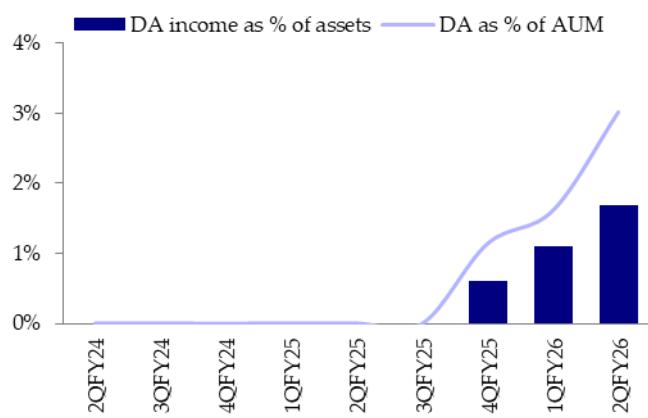
- Gradually diversifying liabilities mix; assignment income further boosting profitability in the near-term: APTUS has been gradually diversifying its liabilities mix over the last few quarters. With the credit rating upgrade to "ICRA AA" in Aug-25, cost of funds are likely to improve further during FY26E-FY28E. Further, APTUS has begun doing direct assignment of portfolio, currently at ~3% of AUM and is likely to scale it to ~6-7% of AUM. While a large share of fixed rate loan book in a declining interest rate environment augurs well for core spreads, increasing leverage is likely to keep NIMs under pressure.

Exhibit 21: Gradually diversifying borrowings mix



Source: Company, HSIE Research

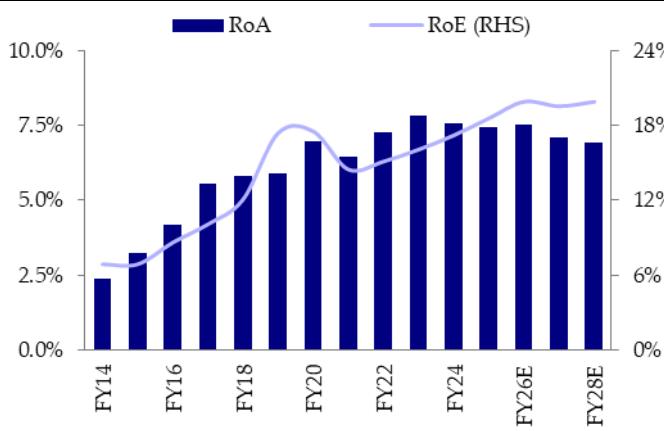
Exhibit 22: Assignment income to increase gradually



Source: Company, HSIE Research

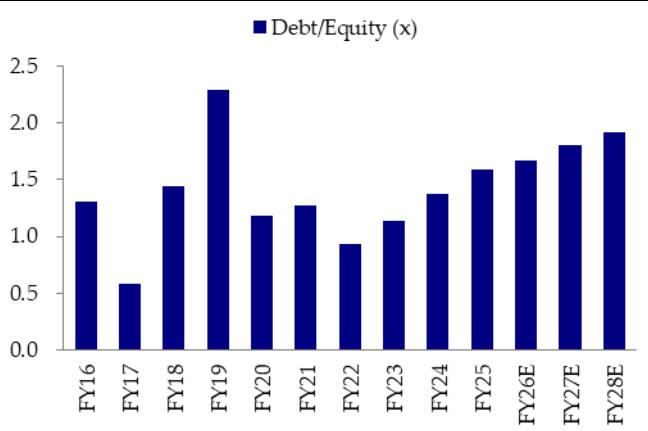
APTUS's current valuation (2.3x Sep-27 ABVPS) is turning the risk-reward favorable with healthy visibility of ~20-22% AUM growth and RoE of ~19-20%. We revise our FY26/FY27/FY28E earnings estimates, largely to factor in higher other income due to assignment income and marginally lower loan growth and upgrade APTUS from REDUCE to ADD, with a revised RI-based TP of INR 330 (implying 2.7x Sep-27 ABVPS; 14x Sep-27 EPS).

Exhibit 23: Expect RoE at ~20% during FY26E-FY28E



Source: Company, HSIE Research

Exhibit 24: Leverage ratio to improve gradually



Source: Company, HSIE Research

Aptus Value Housing Finance India: Company Update

Exhibit 25: APTUS has witnessed significant valuation de-rating post listing



Source: Bloomberg, HSIE Research

Exhibit 26: Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	Old	New	Change	Old	New	Change	Old	New	Change
AUM	134	132	-0.9%	164	161	-1.8%	201	197	-2.1%
NIM (%)	10.7	10.7	3 bps	10.5	10.6	14 bps	10.2	10.5	20 bps
NII	13.3	13.3	-0.5%	16.0	15.8	-1.0%	19.2	18.9	-1.5%
PPOP	12.6	12.8	1.0%	14.6	14.6	0.1%	17.5	17.2	-1.6%
PAT	9.2	9.3	1.1%	10.6	10.6	0.1%	12.7	12.5	-1.6%
Adj. BVPS (INR)	97.6	97.8	0.2%	112.8	113.0	0.2%	131.0	131.2	0.2%

Source: Company, HSIE Research

Aptus Value Housing Finance India: Company Update

Exhibit 27: Peer comparison

Q2FY26	Units	APTUS	AAVAS	HOMEFIRST	ISFC	AADHAR
AUM	INR bn	118	214	142	93	276
Disbursements	INR bn	10	16	13	9	21
Sep-25 P/BVPS	x	3.1	2.5	2.7	3.0	3.1
Growth (% YoY)						
AUM	%	22%	16%	26%	31%	21%
Disbursements	%	3%	21%	10%	12%	4%
Margins %						
Yield on advances	%	17.3%	13.1%	13.3%	14.9%	13.8%
Cost of funds	%	9.2%	7.8%	8.1%	8.2%	7.9%
Spread	%	8.1%	5.2%	5.2%	6.7%	5.9%
NIM	%	10.4%	6.1%	6.1%	9.2%	7.5%
% Borrowings						
Banks	%	56%	66%	74%	68%	50%
NCD + CPs	%	19%	14%	3%	1%	22%
NHB	%	13%	18%	18%	18%	21%
Off balance sheet	%	3%	21%	16%	16%	18%
Cost efficiency						
Cost-to-income ratio	%	20%	44%	32%	35%	36%
Opex-to-AUM ratio	%	2.7%	3.3%	2.5%	4.1%	3.0%
Salary/employee	INR mn	0.6	0.6	1.4	0.6	NA
Other opex/branch	INR mn	3.0	6.0	7.0	3.2	4.4
Employees/branch	x	11.6	18.0	10.6	14.3	NA
Portfolio mix						
Home loans	%	61%	67%	83%	57%	73%
ATS - Home loans	INR mn	0.9	1.2	1.2	1.0	1.1
Self-employed mix	%	79%	61%	32%	75%	45%
Productivity						
AUM/branch	INR mn	378	533	883	314	458
Disbursals/branch (/month)	INR mn	10.3	13.0	26.8	10.5	11.7
Repayment rate	%	16.4%	18.2%	17.5%	18.0%	16.3%
Asset Quality						
GS III	%	1.6%	1.2%	1.9%	1.3%	1.5%
NS III	%	1.2%	0.9%	1.5%	1.0%	1.0%
GS II	%	4.8%	1.5%	1.7%	3.8%	3.5%
PCR - Stage III	%	25%	32%	21%	25%	34%
Credit costs	%	0.6%	0.2%	0.5%	0.5%	0.2%
(% of avg. assets)						
Interest earned	%	16.0%	11.6%	11.9%	14.2%	13.0%
Interest expended	%	5.6%	5.7%	5.9%	5.2%	5.6%
Net interest income	%	10.4%	6.0%	6.0%	9.0%	7.4%
Non-interest income	%	2.7%	2.1%	2.0%	3.4%	1.6%
Operating expenses	%	2.6%	3.6%	2.6%	4.4%	3.3%
Pre-provisioning profit	%	10.6%	4.5%	5.5%	8.0%	5.8%
Provisions	%	0.6%	0.2%	0.4%	0.5%	0.2%
PBT	%	10.0%	4.4%	5.0%	7.5%	5.6%
ROAA	%	7.7%	3.4%	3.8%	5.8%	4.3%
Assets/Equity	x	2.6	4.2	3.5	2.9	3.6
RoAE	%	20.0%	14.3%	13.4%	17.0%	15.8%

Source: Company, HSIE Research

Aptus Value Housing Finance India: Company Update

Financials (Consolidated)

Income Statement

Y/E Mar (INR mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest earned	10,584	13,199	16,696	19,966	23,982	29,022
Interest expended	2,759	3,879	5,405	6,712	8,168	10,144
Net interest income	7,825	9,320	11,291	13,254	15,814	18,878
Other income	706	970	1,288	2,618	2,610	3,010
Total income	8,531	10,290	12,579	15,872	18,424	21,887
Operating expenditure	1,652	2,067	2,547	3,115	3,824	4,654
Pre-provisioning operating profit	6,878	8,223	10,032	12,756	14,600	17,233
Non-tax provisions	341	292	283	643	812	944
Profit before tax	6,537	7,932	9,748	12,113	13,787	16,289
Share of net profit of associates and joint ventures	0	0	0	0	0	0
Exceptional gain/(loss)	0	0	0	0	0	0
Tax expenditure	1,507	1,813	2,236	2,810	3,199	3,779
Profit attributable to non-controlling interests	0	0	0	0	0	0
Profit after tax	5,030	6,119	7,512	9,303	10,588	12,510
Adjusted Profit after tax	5,030	6,119	7,512	9,303	10,588	12,510

Source: Company, HSIE Research

Balance Sheet

Y/E Mar (INR mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share capital	996	998	1,000	1,000	1,000	1,000
Reserves and surplus	32,316	36,592	42,033	49,087	56,926	66,437
Net worth	33,393	37,679	43,167	50,220	58,060	67,571
Borrowings	37,861	51,850	68,468	83,911	104,580	129,405
Other liabilities and provisions	509	517	799	1,012	1,215	1,467
Total equity and liabilities	71,763	90,046	112,434	135,144	163,854	198,442
Cash and cash equivalents	4,600	3,502	4,237	5,138	7,559	9,728
Investments	515	515	529	2,117	2,646	3,175
Advances	65,923	85,284	106,303	126,378	151,815	183,322
Fixed assets	204	219	347	416	500	600
Other assets	521	527	1,018	1,095	1,335	1,617
Total assets	71,763	90,046	112,434	135,144	163,854	198,442

Source: Company, HSIE Research

Aptus Value Housing Finance India: Company Update

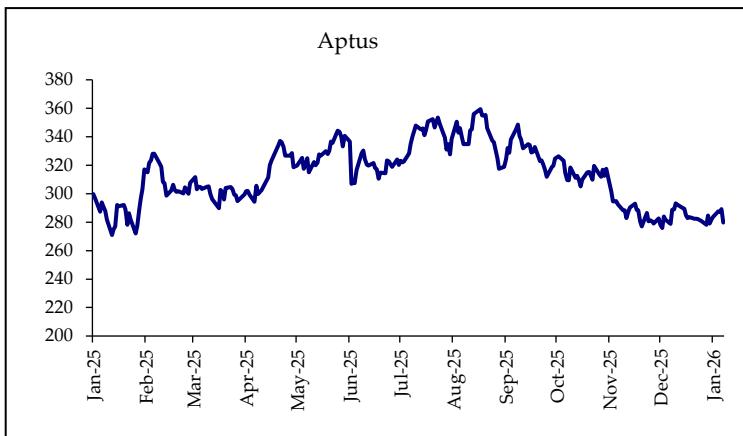
Key Ratios

Y/E Mar (INR mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
VALUATION RATIOS						
EPS (INR)	10.1	12.3	15.0	18.6	21.2	25.0
Earnings Growth (%)	36%	22%	23%	24%	14%	18%
BVPS (ex reval.) (INR)	67.1	75.5	86.4	100.5	116.2	135.2
Adj. BVPS (ex reval. & 100% cover) (INR)	65.9	74.2	84.5	97.8	113.0	131.2
ROAA (%)	7.8%	7.6%	7.4%	7.5%	7.1%	6.9%
ROAE (%)	16.1%	17.2%	18.6%	19.9%	19.6%	19.9%
P/E (x)	27.5	22.7	18.5	14.9	13.1	11.1
P/ABV (x)	4.2	3.7	3.3	2.8	2.5	2.1
P/PPOP (x)	20.1	16.8	13.8	10.9	9.5	8.0
Dividend yield (%)	1.4%	1.6%	1.6%	2.0%	2.2%	2.4%
PROFITABILITY (%)						
Yield on Advances (%)	17.5%	17.0%	17.1%	16.8%	16.8%	16.9%
Cost of Funds (%)	8.5%	8.6%	9.0%	8.8%	8.7%	8.7%
Core Spread (%)	9.0%	8.3%	8.1%	8.0%	8.2%	8.2%
NIM (%)	12.2%	11.5%	11.2%	10.7%	10.6%	10.5%
OPERATING EFFICIENCY						
Cost to average AUM ratio (%)	2.8%	2.7%	2.6%	2.6%	2.6%	2.6%
Cost-income ratio (%)	19.4%	20.1%	20.3%	19.6%	20.8%	21.3%
BALANCE SHEET STRUCTURE RATIOS						
Loan growth (%)	29.8%	29.4%	24.6%	18.9%	20.1%	20.8%
AUM growth (%)	30.1%	29.4%	24.6%	21.8%	22.0%	22.0%
Borrowing growth (%)	39.2%	36.9%	32.1%	22.6%	24.6%	23.7%
Debt/Equity (x)	1.1	1.4	1.6	1.7	1.8	1.9
Equity/Assets (%)	46.5%	41.8%	38.4%	37.2%	35.4%	34.1%
Equity/Loans (%)	50.7%	44.2%	40.6%	39.7%	38.2%	36.9%
Total Capital Adequacy Ratio (CAR) (%)	77.4%	73.0%	71.3%	69.4%	68.2%	66.5%
Tier I CAR (%)	76.6%	72.4%	71.1%	69.2%	68.0%	66.4%
ASSET QUALITY						
GS III (INR mn)	769	916	1,286	1,764	2,098	2,654
NS III (INR mn)	572	680	956	1,334	1,570	1,979
Slippages (%)	1.1%	1.0%	1.3%	1.6%	1.4%	1.4%
GS III (%)	1.2%	1.1%	1.2%	1.4%	1.4%	1.4%
NS III (%)	0.9%	0.8%	0.9%	1.1%	1.0%	1.1%
Coverage Ratio (%)	25.6%	25.7%	25.7%	24.4%	25.2%	25.4%
Provision/AUM (%)	0.6%	0.4%	0.3%	0.5%	0.6%	0.5%
Provision/Gross advances (%)	0.6%	0.4%	0.3%	0.5%	0.6%	0.6%
(% of average assets)						
Interest earned	16.5%	16.3%	16.5%	16.1%	16.0%	16.0%
Interest expended	4.3%	4.8%	5.3%	5.4%	5.5%	5.6%
Net interest income	12.2%	11.5%	11.2%	10.7%	10.6%	10.4%
Non-interest income	1.1%	1.2%	1.3%	2.1%	1.7%	1.7%
Operating expenses	2.6%	2.6%	2.5%	2.5%	2.6%	2.6%
Pre-provisioning profit	10.7%	10.2%	9.9%	10.3%	9.8%	9.5%
Non-tax provisions	0.5%	0.4%	0.3%	0.5%	0.5%	0.5%
Others	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Provision for tax	2.3%	2.2%	2.2%	2.3%	2.1%	2.1%
ROAA						
Average assets/Average equity (x)	2.1	2.3	2.5	2.7	2.8	2.9
ROAE						
	16.1%	17.2%	18.6%	19.9%	19.6%	19.9%

Source: Company, HSIE Research

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Price Movement



Rating Criteria

BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: >10% Downside return potential

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