

HDB Financial Services

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	HDBFS IN
Equity Shares (m)	830
M.Cap.(INRb)/(USDb)	616.7 / 7
52-Week Range (INR)	892 / 728
1, 6, 12 Rel. Per (%)	-7/-/-
12M Avg Val (INR M)	3062

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Total Income	74.5	89.3	102.3
PPP	49.7	61.0	70.4
PAT	21.8	26.1	33.9
EPS (INR)	27.3	31.4	40.8
EPS Gr. (%)	-11.9	15	30
BV (INR)	199	252	293

Ratios

NIM (%)	7.8	8.1	8.1
C/I ratio (%)	42.8	41.2	40.9
RoAA (%)	2.2	2.3	2.5
RoE (%)	14.7	14.2	15.0

Valuation

P/E (x)	27.2	23.6	18.2
P/BV (x)	3.7	2.9	2.5
Div. Yield (%)	0.4	0.5	0.7

Shareholding pattern (%)

As On	Jul-25
Promoter	74.2
DII	5.1
FII	4.1
Others	16.5

FII Includes depository receipts

CMP: INR743

TP: INR820 (+10%)

Neutral

Weak quarter; guiding for recovery in 2H due to a pickup in retail

Loan growth was muted and credit costs remained elevated.

- HDB Finance (HDBFIN)'s 2QFY26 PAT declined ~2% YoY to INR5.8b (in line). PAT in 1HFY26 declined ~2% YoY, and we expect 2HFY26 PAT to grow ~45% YoY. NII in 2QFY26 grew ~20% YoY to ~INR21.9b (in line). Other income rose ~14% YoY to ~INR6.6b (in line).
- Opex grew ~12% YoY to ~INR13.2b (in line). The cost-to-income ratio in the lending business declined ~2pp QoQ to 40.7% (PQ and PY: 42.7%). PPOp stood at INR15.3b and grew 24% YoY (~5% beat).
- Yields (calc.) declined ~10bp QoQ to ~14.1%, and CoF (calc.) dipped ~35bp QoQ to ~7.4%. Reported NIMs in 2QFY26 expanded ~20bp QoQ to ~7.9%. The company guided for NIM of 7.9-8.0% in the subsequent quarters. We expect HDBFIN's NIM to expand ~30bp to 8.1% in FY26 (vs. ~7.8% in FY25).
- Management indicated that the elevated credit costs during the quarter were largely driven by higher slippages in the CV segment, along with some impact from the CE portfolio. The company highlighted that heavy monsoon-led floods led to unusually high vehicle idling this year compared to prior years. Management guided for normalized credit costs of 2.2% over the medium to long term. We expect credit costs of 2.4%/2% in FY26/FY27.
- While demand remained subdued in 2Q due to heavy rainfall, flooding, and deferred purchases ahead of anticipated GST cuts, management expects a strong rebound in retail demand in 3Q and 4Q, and anticipates growth momentum to accelerate in 2HFY26. We estimate a CAGR of 12%/17%/24% in disbursement/AUM/PAT over FY25-28, with RoA/RoE of ~2.5%/15% in FY27. **Reiterate Neutral with a TP of INR820 (premised on 2.6x Sep'27E BVPS).**
- **Key risks:** 1) HDBFIN's focus on low- to middle-income and self-employed segments exposes it to higher credit sensitivity during economic slowdowns, despite its secured portfolio mix; 2) execution risk remains in translating scale into sustained profitability, as operating efficiency metrics currently lag peers; 3) rising competition in semi-urban and rural lending and potential yield compression.

AUM rises ~13% YoY; disbursements remain flat YoY

- Business AUM grew 13% YoY/3% QoQ to INR1.11t. Enterprise lending grew 9% YoY/1% QoQ, asset finance grew 15% YoY/2% QoQ, and consumer finance grew 17% YoY/2% QoQ during the quarter.
- Total disbursements in 2QFY26 were flat YoY at ~INR156b. Enterprise lending disbursements declined ~5% YoY, asset finance disbursements declined 1% YoY, and consumer finance disbursements grew 3% YoY.
- Management shared that it remains optimistic about the retail segment, expecting the positive sentiment to translate into stronger growth momentum in 2HFY26. The company guided for AUM CAGR of 18-20% over the medium to long term. We model AUM CAGR of ~17% over FY25-28E.

Asset quality deterioration leads to sequentially higher credit costs

- Asset quality deteriorated, with GNPA rising ~25bp QoQ to ~2.8% and NS3 increasing ~15bp QoQ to ~1.3%. PCR declined ~2pp to ~54.7%.
- Credit costs stood at ~INR7.5b (~5% higher than MOFSLe). Annualized credit costs stood at ~2.7% (PQ: ~2.5% and PY: ~1.8%). Management guided for normalized credit costs of ~2.2% over the medium to long term. We estimate credit costs (as % of avg. loans) of ~2.4%/2.0% in FY26/FY27.

Key highlights from the management commentary

- Management expects strong momentum in Auto, 2W, and Consumer Durables segments, supported by government initiatives to stimulate consumption, healthy Kharif sowing, and improving farm incomes.
- The LAP portfolio continues to operate with minimal credit costs, while consumer durable loans entail relatively higher credit costs. The company aims to optimize overall credit costs across its diversified product portfolio and expects them to moderate further in the coming quarters.
- HDBFIN expects growth momentum to strengthen across all product categories, with the business loans segment showing signs of stabilization and likely to return to a growth trajectory in the coming quarters.

Valuation and view

- HDBFIN reported a muted quarter, with modest loan growth and disbursement activity impacted by factors such as heavy rainfall and demand deferment ahead of anticipated GST rate cuts. Asset quality weakened further, resulting in sequentially higher credit costs. The only positive was a ~20bp expansion in NIM during the quarter, driven by a decline in the cost of borrowings.
- HDBFIN offers a play on India's high-growth, underpenetrated retail lending market. With an AUM of ~INR1.11t and ~21m customers, the company has built a granular, largely secured loan portfolio (~73% secured) and demonstrated credit discipline. With strong governance, in-house collections, and a differentiated sourcing model, the company has the foundations for sustainable value creation.
- HDBFIN currently trades at 2.5x FY27E P/BV. We estimate a CAGR of 12%/17%/24% in disbursement/AUM/PAT over FY25-28, with RoA/RoE of ~2.5%/15% in FY27. **Reiterate Neutral with a TP of INR820 (premised on 2.6x Sep'27E BVPS).** With valuations largely factoring in medium-term growth potential, we will look for clearer evidence of stronger execution on loan growth, the ability to better navigate industry/product cycles, and structural (not just cyclical) improvement in return ratios.

Quarterly Performance
(INR M)

Y/E March	FY25				FY26E				FY25	FY26E	2QFY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Interest Income	32,646	34,310	35,169	36,233	38,315	38,865	39,681	40,893	1,38,358	1,57,754	39,120	-1
Interest Expenses	14,964	15,985	16,448	16,505	17,397	16,940	16,906	17,162	63,902	68,405	17,588	-4
Net Interest Income	17,682	18,325	18,721	19,728	20,918	21,925	22,775	23,731	74,456	89,349	21,531	2
YoY Growth (%)	17.8	21.2	17.1	17.3	18.3	19.6	21.7	20.3	18.3	20.0	17.5	
Other Income	6,192	5,758	6,267	6,428	6,339	6,589	6,760	7,066	12,478	14,466	6,371	3
Total Income	23,874	24,083	24,988	26,156	27,257	28,514	29,535	30,798	86,934	1,03,815	27,902	2
YoY Growth (%)	3.2	2.2	6.5	14.2	14.2	18.4	18.2	17.7	18.2	19.4	15.9	
Operating Expenses	11,912	11,782	12,223	12,776	13,235	13,209	13,723	14,304	37,239	42,782	13,359	-1
Operating Profit	11,962	12,301	12,765	13,380	14,022	15,305	15,812	16,494	49,695	61,033	14,543	5
YoY Growth (%)	16.5	13.6	12.1	19.1	17.2	24.4	23.9	23.3	17.9	22.8	18.2	
Provisions & Loan Losses	4,125	4,310	6,357	6,338	6,697	7,483	6,523	6,146	21,130	26,849	7,130	5
Profit before Tax	7,837	7,991	6,408	7,042	7,325	7,822	9,289	10,348	28,565	34,183	7,413	6
Tax Provisions	2,020	2,081	1,685	1,733	1,648	2,008	2,369	2,671	7,519	8,696	1,742	15
Net Profit	5,817	5,910	4,723	5,309	5,677	5,814	6,920	7,676	21,046	25,488	5,671	3
YoY Growth (%)	2.6	-1.6	-25.8	-19.1	-2.4	-1.6	46.5	44.6	-8.6	21.1	-4.0	
Key Parameters (Calc., %)												
Yield on loans	14.1	14.1	14.0	13.9	14.2	14.1	14.0	13.8				
Cost of funds	7.7	7.9	7.9	7.7	7.8	7.4	7.4	7.3				
Spread	6.3	6.2	6.1	6.2	6.4	6.6	6.6	6.5				
NIM	7.6	7.5	7.5	7.6	7.7	7.9	8.0	8.0				
C/I ratio	49.9	48.9	48.9	48.8	48.6	46.3	46.5	46.4				
Credit cost	1.8	1.8	2.5	2.4	2.5	2.7	2.3	2.1				
Tax rate	25.8	26.0	26.3	24.6	22.5	25.7	25.5	25.8				
Balance Sheet Parameters												
Disbursements (INR b)	165	157	163	176	152	156	176	191				
Growth (%)	0.0	0.0	0.0	0.0	-8.1	-0.5	8.0	8.2				
AUM (INR b)	956	986	1,021	1,069	1,093	1,114	1,155	1,208				
Growth (%)	29.9	26.6	21.5	18.5	14.3	13.0	13.1	13.0				
Borrowings (INR b)	786	827	837	874	915	905	928	950				
Growth (%)	37.1	33.6	20.6	17.6	16.4	9.5	10.9	8.7				
Asset Quality Parameters												
GS 3 (INR B)	18.4	20.7	22.9	24.1	27.9	31.3						
GS 3 (%)	1.9	2.1	2.2	2.3	2.6	2.8						
NS 3 (INR B)	7.3	8.2	9.2	10.6	12.1	14.2						
NS 3 (%)	0.8	0.9	0.9	1.0	1.1	1.3						
PCR (%)	60.2	60.7	60.0	56.0	56.7	54.7						



Highlights from the management commentary

Guidance

- 3Q should be far better than 2Q/1QFY26. HDBFIN is positive on how it sees 3Q/4Q going forward.
- The company has guided for CIR of 41.5%-42% over the medium-term. It expects opex to average loans to remain in the range of 3.5-3.6%, in the medium term.
- NIM expanded ~20bp QoQ to 7.9%. The sweet spot for NIM is between 7.9% and 8.0%, and the company expects NIM to remain in this range in the coming quarters.

Loan Growth

- The company remains optimistic about an expected pickup in the retail segment in 2HFY26.
- It expects a better offtake in 2H. There was robust traction on the field in the first few days of Oct'25.
- It expects growth to pick up across all product categories. The business loans segment is also stabilizing and is expected to grow in the coming quarters.

Asset Quality and Credit Costs

- HDBFIN saw a stabilization in its MSME book in 1Q, which also continued into 2Q.
- On account of monsoons challenges—flash floods in the North and East led to area closures for 10-15 days, resulting in limited vehicle movement. This led to higher idling and lower utilization of vehicles due to unseasonal rains and floods. New slippages are primarily coming from the CV segment and partially from the CE segment.
- The company has guided for credit costs in the range of 2.2% on a normalized basis (through cycle credit costs).
- LAP has minimal credit costs, while CD comes at slightly higher credit costs. The company will try to manage its credit costs across its diversified product segments and aims to reduce its credit costs to moderate levels in the coming quarters.
- Assam was closed for 5 days, while the Northern Belt also faced challenges. However, proactive measures undertaken in July and Aug helped prevent slippages in September.
- LAP book has been fairly stable (very low on credit costs) and has operated in a similar range for the last 6-9 months.
- The company's product mix has evolved significantly from its pre-pandemic composition.
- HDBFIN has not made any changes in its provisioning approach.

Enterprise Finance

- Recent changes in gold loans regulations and the higher price of metal have helped it experience growth in the gold loans segment.

Asset Finance

- Faced challenges in CV segment – The company faced challenges in the CV segment in 1Q, which continued in 2Q as well. Based on its business insights, vehicle idling in 2Q was much higher than in the prior years. Deferment of demand for vehicles from the GST rate cut announcement and unseasonal rainfall/floods in certain parts of the country led to higher stress in the CV segment.
- The company anticipates a positive momentum in the vehicle finance segment in the coming quarters, driven by the GST rate cut.

Consumer Finance

- The company expects Auto, 2W, and Consumer Durables to perform well, aided by various steps taken by the government to boost consumption, along with good Kharif sowing and growing farm income.
- It has started seeing a retail offtake in the first few months of October.

Product-wise Commentary

- **Gold loans** grew 10% QoQ and 40% YoY; post the harmonization of gold lending guidelines and rise in gold prices, gold loans are expected to offer favorable opportunities.
- **LAP book:** The company might have a few loans below INR1m, though most will be in the ATS of INR2.5m.
- **Micro-LAP:** The company does not have exposure to the micro-LAP segment.
- **Business loans:** It has been slightly conservative in this space and has highlighted this stress over the past three quarters. It now expects credit costs to moderate and decline in the coming quarters.
- **Unsecured business loans** are for smaller ticket sizes of ~INR300k and for shorter tenor.
- **Relationship PL (Cross-sell PL)** is offered to the company's existing customers (primary origination in any other product segment), with a good track record. While it could have CV/CE customers too, it primarily includes CD and 2W customers.

Financial Performance

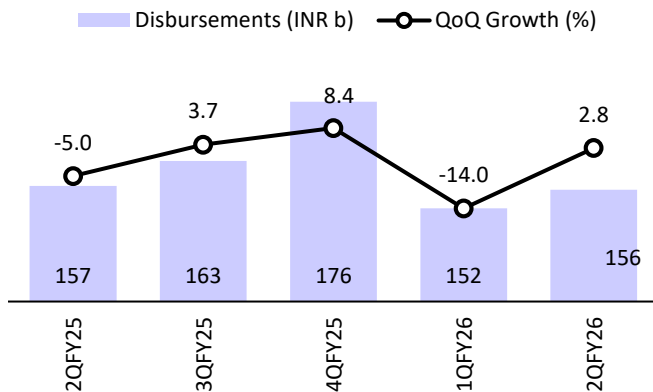
- Customer franchise grew 20% YoY.
- Gross loan book stood at INR1.11t, up 13% YoY. Secured loans form 73% of the total loan book.
- Branch count stood at 1,749.
- NII in 2Q was INR21.92b, up 4.8% QoQ and 19.6% YoY; NIM in 2Q stood at 7.9% (v/s 7.7% in 1QFY26).
- CIR for the lending business stood at 40.7% (v/s 42.7% in 1QFY26).
- PPOP in 2QFY26 stood at ~INR15.02b.
- Credit costs stood at ~INR7.48b (vs ~INR6.7b in 1QFY26).
- GS3 stood at 2.81% (vs 2.56% as on Jun'25); PCR on S3 stood at ~54.7% (vs ~56.7% as of Jun'25).
- RoA (annualized) stood at 1.93% (including opening assets of ~INR90b of OFS money). Adjusted for this, RoA stood at 2.02%.
- The company remains well-capitalized, with a CRAR of 21.82% as of Sep'25.

Others

- The regulator's comments on the Oct'24 circular (in terms of overlapping businesses between banks and its subsidiary NBFC) is positive for HDBFIN.
- NIM is fairly stable in its BPO business; the uptick that it saw in BPO revenue was due to some of the deferred billings and revenue recognition.
- In the loan mix, CV (used) stood at 9% and CV (new) stood at 16% as of Sep'25.

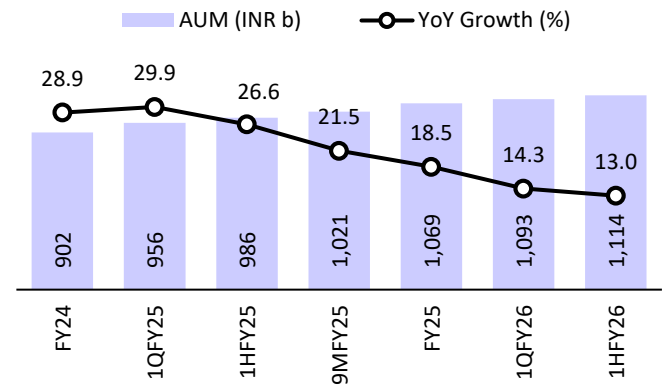
Key exhibits

Exhibit 1: Disbursements remained flat YoY



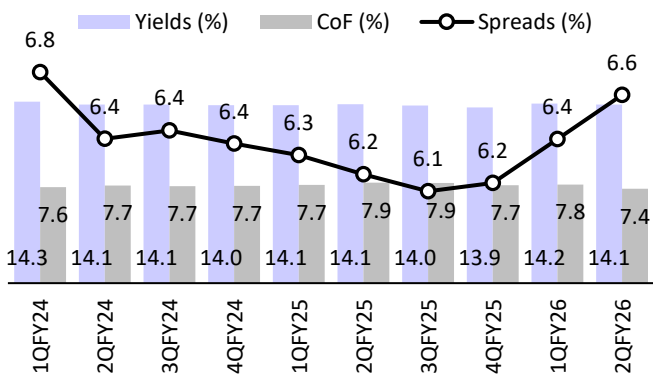
Source: MOFSL, Company

Exhibit 2: AUM grew 13% YoY



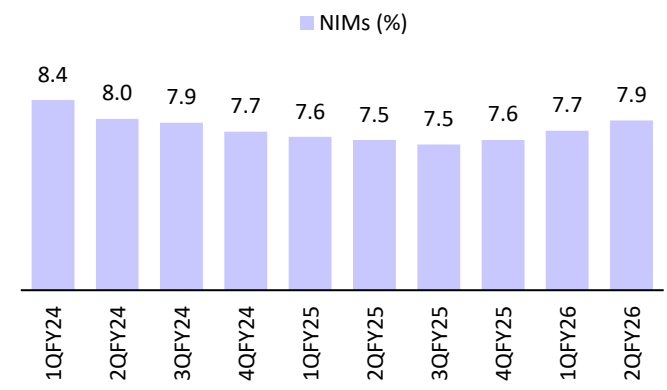
Source: MOFSL, Company

Exhibit 3: Spreads rose ~30bp QoQ, driven by a 35bp decline in CoB



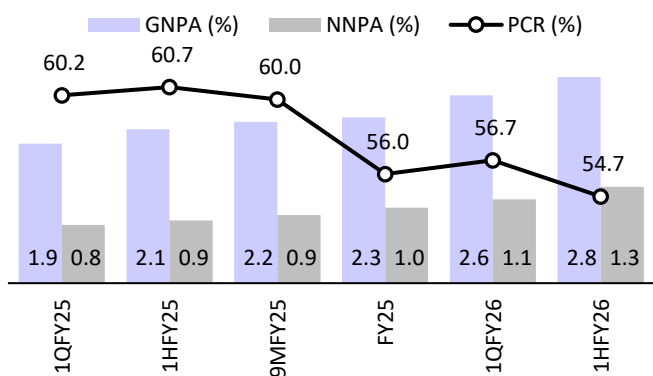
Source: MOFSL, Company

Exhibit 4: NIMs expanded ~20bp QoQ at 7.9% (%)



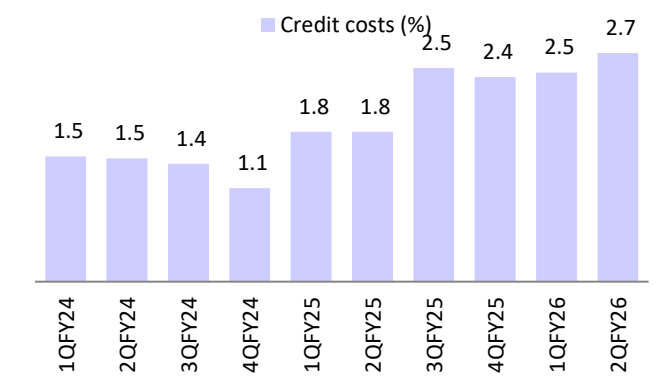
Source: MOFSL, Company

Exhibit 5: GS3 rose ~25bp QoQ to 2.8%

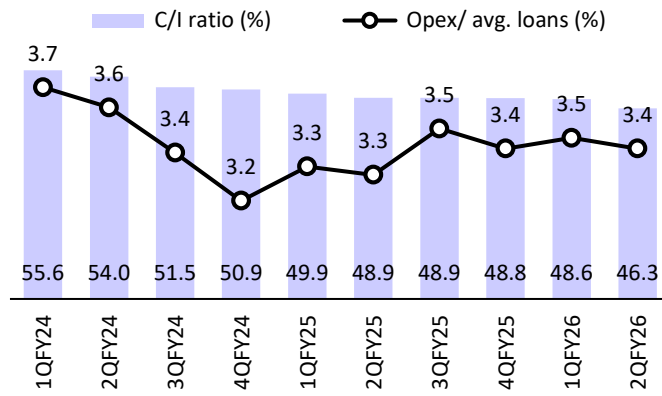


Source: MOFSL, Company,

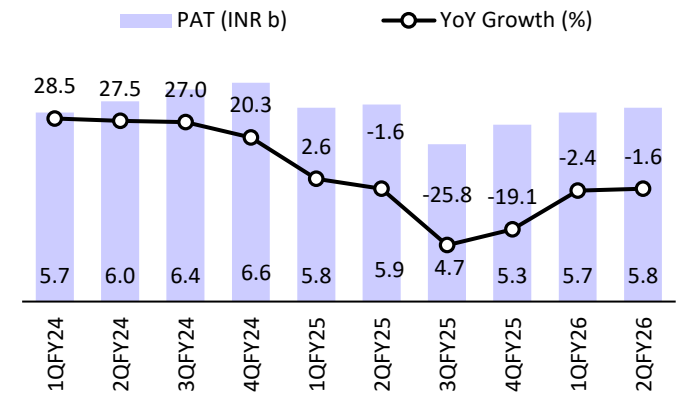
Exhibit 6: Credit cost rose ~20bp QoQ to 2.7%



Source: MOFSL, Company

Exhibit 7: C/I ratio declined ~230bp QoQ


Source: MOFSL, Company,

Exhibit 8: 2QFY26 PAT declined ~2% YoY to INR5.8b


Source: MOFSL, Company

Exhibit 9: We keep our FY26/FY27 EPS estimates largely unchanged; Cut FY28E EPS by 4% to factor in lower loan growth

INR B	Old Est.			New Est.			change (%)		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
NII (incl. assignments)	88.6	103.8	125.0	89.3	102.3	121.5	0.9	-1.4	-2.8
Other Income	14.5	16.9	19.4	14.5	16.9	19.4	0.0	0.0	0.0
Total Income	103.0	120.7	144.3	103.8	119.2	140.9	0.8	-1.2	-2.4
Operating Expenses	43.1	49.2	56.7	42.8	48.8	56.2	-0.8	-0.8	-0.8
Operating Profits	59.9	71.5	87.7	61.0	70.4	84.7	1.9	-1.5	-3.4
Provisions	25.9	26.4	30.2	26.8	25.9	29.4	3.6	-2.2	-2.6
PBT	34.0	45.0	57.5	34.2	44.6	55.3	0.6	-1.0	-3.8
Tax	8.6	11.4	14.5	8.7	11.3	14.0	0.6	-1.0	-3.8
PAT	25.3	33.6	43.0	25.5	33.3	41.3	0.6	-1.1	-3.8
AUM	1,220	1,462	1,759	1,212	1,429	1,700	-0.6	-2.2	-3.3
Loans	1,170	1,402	1,688	1,163	1,371	1,631	-0.6	-2.2	-3.3
Borrowings	958	1,147	1,387	950	1,120	1,339	-0.8	-2.3	-3.4
NIM	8.0	8.1	8.1	8.1	8.1	8.1			
Credit Cost (%)	2.3	2.0	1.9	2.4	2.0	1.9			
RoA	2.2	2.5	2.7	2.3	2.5	2.7			
RoE	14.1	15.1	16.4	14.2	15.0	15.8			

Source: MOFSL, Company

Financials and valuations

Income Statement							INR m		
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	82,335	84,879	83,630	89,278	1,11,567	1,38,358	1,57,754	1,79,978	2,11,181
Interest Expenses	40,814	38,829	33,255	35,119	48,643	63,902	68,405	77,646	89,663
Net Interest Income	41,521	46,050	50,375	54,159	62,924	74,456	89,349	1,02,332	1,21,518
Change (%)	22.9	10.9	9.4	7.5	16.2	18.3	20.0	14.5	18.7
Other Income	4,098	4,365	5,799	8,412	10,649	12,478	14,466	16,881	19,364
Total Income	45,618	50,414	56,174	62,570	73,573	86,934	1,03,815	1,19,213	1,40,882
Change (%)	21.9	10.5	11.4	11.4	17.6	18.2	19.4	14.8	18.2
Total Operating Expenses	17,601	15,757	19,388	24,399	31,428	37,239	42,782	48,775	56,197
Change (%)	20.9	-10.5	23.0	25.8	28.8	18.5	14.9	14.0	15.2
Employee Expenses	11,866	10,389	12,717	15,643	20,588	24,742	27,711	31,590	36,329
Depreciation	1,097	1,078	989	1,118	1,451	1,944	2,197	2,636	3,137
Other Operating Expenses	4,638	4,290	5,682	7,638	9,389	10,553	12,875	14,548	16,731
Operating Profit	28,018	34,658	36,786	38,171	42,144	49,695	61,033	70,438	84,685
Change (%)	22.5	23.7	6.1	3.8	10.4	17.9	22.8	15.4	20.2
Total Provisions	14,416	30,688	24,657	13,304	10,674	21,130	26,849	25,871	29,428
% Loan loss provisions to Avg loans ratio	2.6	5.3	4.3	2.2	1.4	2.2	2.4	2.0	2.0
PBT (Lending)	13,602	3,970	12,129	24,867	31,471	28,565	34,183	44,567	55,257
PBT (BPO)	1,043	1,037	1,347	1,407	1,576	713	600	580	550
PBT (Total)	14,645	5,007	13,476	26,274	33,047	29,278	34,783	45,147	55,807
Tax Provisions	4,596	1,092	3,362	6,681	8,438	7,519	8,696	11,287	13,952
Tax Rate (%)	31.4	21.8	24.9	25.4	25.5	25.7	25.0	25.0	25.0
PAT	10,049	3,915	10,114	19,594	24,608	21,759	26,088	33,861	41,855
Change (%)	-7.0	-61.0	158.4	93.7	25.6	-11.6	19.9	29.8	23.6
Balance Sheet									
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	7,876	7,892	7,904	7,914	7,931	7,958	8,296	8,296	8,296
Reserves & Surplus	72,302	76,571	87,493	1,06,456	1,29,496	1,50,239	2,00,989	2,34,849	2,76,704
Net Worth	80,178	84,462	95,397	1,14,370	1,37,427	1,58,197	2,09,285	2,43,145	2,85,000
Borrowings	4,98,041	5,03,588	4,89,731	5,48,653	7,43,307	8,73,977	9,50,156	11,20,404	13,39,500
Change (%)	10.4	1.1	-2.8	12.0	35.5	17.6	8.7	17.9	19.6
Total Liabilities	6,07,145	6,26,411	6,20,259	7,00,504	9,25,565	10,86,633	12,22,541	14,36,045	17,07,799
Investments	17,458	15,929	22,335	12,433	33,803	20,601	22,661	24,927	27,420
Loans	5,71,459	5,86,014	5,71,625	6,63,827	8,67,213	10,33,430	11,62,906	13,71,054	16,31,412
Change (%)	6.1	2.5	-2.5	16.1	30.6	19.2	12.5	17.9	19.0
Fixed Assets	1,336	995	902	1,428	1,847	2,754	3,305	3,966	4,759
Total Assets	6,07,145	6,26,411	6,20,259	7,00,504	9,25,565	10,86,633	12,22,541	14,36,045	17,07,799

E: MOFSL Estimates

Financials and valuations

AUM Mix (%)							INR m		
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
AUM	5,88,328	6,15,610	6,14,440	7,00,840	9,02,350	10,72,620	12,12,471	14,29,356	17,00,227
Change (%)	6.1	4.6	-0.2	14.1	28.8	18.9	13.0	17.9	19.0
Disbursements	2,98,530	2,49,900	2,90,330	4,48,018	6,08,993	6,61,080	6,74,302	7,95,676	9,38,898
Change (%)	-5.7	-16.3	16.2	54.3	35.9	8.6	2.0	18.0	18.0
Ratios									
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Spreads Analysis (%)									
Avg. Yield on Loans	14.8	14.3	13.6	13.6	13.9	14.0	13.9	13.7	13.6
Avg Cost of Funds	8.6	7.8	6.7	6.8	7.5	7.9	7.5	7.5	7.3
Spread of loans	6.2	6.6	6.9	6.8	6.4	6.1	6.4	6.2	6.3
NIM (on loans)	7.5	8.0	8.7	8.8	8.2	7.83	8.14	8.08	8.1
Profitability Ratios (%)									
RoA	1.7	0.6	1.6	3.0	3.0	2.2	2.3	2.5	2.7
RoE	13.2	4.8	11.2	18.7	19.5	14.7	14.2	15.0	15.8
Cost/Income	38.6	31.3	34.5	39.0	42.7	42.8	41.2	40.9	39.9
Opex to avg. assets	3.0	2.6	3.1	3.7	3.9	3.7	3.7	3.7	3.6
Asset quality									
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
GNPA (INR m)	22,591	27,609	30,588	19,149	17,118	24,137	29,460	35,590	42,782
GNPA (%)	3.9	4.5	5.0	2.7	1.9	2.3	2.4	2.5	2.5
NNPA (INR m)	18,206	18,862	14,030	6,683	5,680	10,632	13,257	14,236	16,257
NNPA (%)	3.2	3.2	2.5	1.0	0.7	1.0	1.1	1.0	1.0
PCR (%)	19.41	31.68	54.13	65.10	66.82	55.95	55	60	62
Credit costs (%)	2.6	5.2	4.0	2.0	1.3	2.1	2.4	2.0	1.9
Valuation									
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
No. of Shares (m)	788	789	790	791	793	796	830	830	830
EPS	13	5	13	25	31	27	31	41	50
EPS Growth (%)	(7)	(61)	158	93	25	(12)	15	30	24
P/E (x)	58.2	149.8	58.1	30.0	23.9	27.2	23.6	18.2	14.7
BV (INR)	102	107	121	145	173	199	252	293	344
BV Growth (%)	11	5	13	20	20	15	27	16	17
Price-BV (x)	7.3	6.9	6.2	5.1	4.3	3.7	2.9	2.5	2.2
DPS (INR)	0.0	0.0	1.0	2.0	3.0	3.0	4.0	5.0	6.0
Dividend yield (%)	-	-	0.1	0.3	0.4	0.4	0.5	0.7	0.8

E: MOFSL Estimates

HDBFIN - DuPont tree									(%)
Y/E MARCH	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	14.1	13.8	13.4	13.5	13.7	13.8	13.7	13.5	13.4
Interest Expended	7.0	6.3	5.3	5.3	6.0	6.4	5.9	5.8	5.7
Net Interest Income	7.1	7.5	8.1	8.2	7.7	7.4	7.7	7.7	7.7
Other Operating Income	0.7	0.7	0.9	1.3	1.3	1.2	1.3	1.3	1.2
Net Income	7.8	8.2	9.0	9.5	9.0	8.6	9.0	9.0	9.0
Operating Expenses	3.0	2.6	3.1	3.7	3.9	3.7	3.7	3.7	3.6
Operating Income	4.8	5.6	5.9	5.8	5.2	4.9	5.3	5.3	5.4
Provisions/write offs	2.5	5.0	4.0	2.0	1.3	2.1	2.3	1.9	1.9
PBT (Lending)	2.3	0.6	1.9	3.8	3.9	2.8	3.0	3.4	3.5
PBT (BPO Segment)	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.0	0.0
PBT (Total)	2.5	0.8	2.2	4.0	4.1	2.9	3.0	3.4	3.6
Tax	0.8	0.2	0.5	1.0	1.0	0.7	0.8	0.8	0.9
Reported PAT	1.7	0.6	1.6	3.0	3.0	2.2	2.3	2.5	2.7
Avg. Leverage	7.7	7.5	6.9	6.3	6.5	6.8	6.3	5.9	6.0
RoE	13.2	4.8	11.2	18.7	19.5	14.7	14.2	15.0	15.8

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