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India | Equity Research | Sector Update

NBFCs

NBFCs Q2FY25 preview: Likely growth moderation and spread compression to impact earnings; asset quality across lenders would be key monitorable

For Q2FY25, we believe NBFCs are likely to recalibrate their near-term growth strategies, taking cognisance of the ongoing stress in MFI/unsecured loans, regulator's close eye on high-growth products (recent observation on gold loans, top-up home loans, etc.) and banks' lower funding to NBFCs. Also, for the quarter, we expect AUM growth of 4% QoQ/20% YoY for NBFCs under our coverage. PPOP for our NBFC universe is likely to expand at 3% QoQ/18% YoY, but PAT growth is likely to be relatively slower at 11% YoY and down 2% QoQ, due to pressure on credit cost (up 17% QoQ/38% YoY for our coverage universe) in light of the current environment, particularly for unsecured lenders. In the NBFC space, we prefer Aadhar, India Shelter, Shriram Finance and Bajaj Finance.

Growth likely to be challenging, except for a few players

Within our coverage universe, we believe the risk of missing full year FY25 growth guidance is high for players that reported muted growth in Q1FY25; the ask rate too is quite steep. We believe players such as CA Grameen, Spandana, Ujjivan, Equitas, Utkarsh etc. would recalibrate their growth projections due to muted growth in Q1FY25. Ask rate for housing finance companies (including AHFCs) remains higher, but we believe credit demand for home loans (HL) remains strong. Hence, we do not foresee growth risks to HFCs in the near term. We believe NBFCs with high exposure to MFI, unsecured loans and gold loans, and a high base are more likely to get impacted in the near term. For our overall coverage universe, we expect AUM growth of 4% QoQ/20% YoY in Q2FY25E.

Stressed margins likely given elevated interest cost, competition and interest reversal

Since the past few quarters, NBFCs are seeing a rise in their cost of borrowings, primarily due to the hike in lending rates by banks and other financial institutions. This is likely to spill into in Q2 as well – as seen in SCBs' overall MCLR rate, which has inched up 10bps QoQ in Q2FY25 vs. 5bps QoQ in Q1FY25 as per RBI monthly publication. Further, with stiff competition from banks in a large portion of the segment that NBFCs operate in, it is tough for NBFCs to pass on the rise in borrowing cost to its customer; this would lead to margin erosion in Q2FY25. To add to this, there are pockets of stress visible in unsecured lending, which would further result in interest reversal. In a nutshell, rising cost of funds, competition and interest reversals are likely to result in margin contraction for NBFCs during Q2FY25.

Asset quality headwinds for MFIs to linger; trends for secured players key monitorable

Most MFI players noted a spike in their PAR portfolios and credit costs during Q1FY25 – attributable to the heatwave and India's general elections. However, we believe the current stress in the MFI sector predominantly emanates from over-leverage – could take a couple of quarters for it to dissipate. MFIN guardrails would kick-start a clean-up in Q2FY25. Thus, we believe, near-term growth and credit cost shall remain under pressure. We, therefore, remain watchful on the asset quality trends in the MFI sector.

However, should the stress percolate from unsecured lending to secured ones, it could trigger a retail asset quality cycle. That said, currently, there are no signs of stress in asset quality. Five Star, in fact, has reported its provisional collection efficiency for Q2, which has seen a minor dip to 98.4% vs. 98.5% QoQ; hence, seems quite steady.

Further, for company-specific nuances, we believe a sizeable inch-up in credit cost is on the cards for Poonawalla Fincorp, M&M Finance and all MFIs.

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Tight control on opex likely to offset headwinds

With pressure on margins arising out of stiff competition, rising funding cost and interest reversal (for microfinance), NBFCs are likely to tighten cost wherever feasible and focus more on opex management. We believe, opex to assets is likely to moderate also due to relatively slower business growth.

NBFCs, particularly AHFCs, rely heavily on assignment/securitisation income as a means of steady income stream and aid liquidity. However, we believe that direct assignment/securitisation transactions are likely to be slower in light of the current environment; hence, impeding growth momentum.

Expect 11% YoY PAT growth for our NBFCs coverage universe

For HFCs under our coverage, we expect 3% QoQ/10% YoY AUM growth due to relatively slower growth for prime mortgage players under our coverage, namely LIC Housing and PNB Housing. Prime mortgage players are expected to report 3% QoQ and 8% YoY AUM growth while affordable players (excluding Aadhar) are expected to grow at 5% QoQ and 25% YoY. On the profitability front, HFCs (excluding Aadhar) are expected to report 10% YoY rise in PAT and flat QoQ, of which prime mortgage players are expected to grow at 8% YoY and flat QoQ, while affordable players (excluding Aadhar) are expected to grow at 20% YoY and 3% QoQ.

For SFBs under our coverage, we expect a 4% QoQ and 31% YoY rise in AUM and thereby 9% QoQ and 35% YoY rise in NII. Except Equitas SFB, we expect credit cost to inch up for all other SFBs, due to which PAT would decline by 7% QoQ and 13% YoY.

For MFIs under our coverage, we expect 12% YoY rise in AUM, but 5% lower QoQ and thereby 16% YoY rise in NII, but lower 5% QoQ. However, credit cost for most of the MFI players is expected to see a sizeable uptick due to impending stress for MFI players, which would lead to 20% QoQ / 8% YoY decline in PAT for CA Grameen while Fusion Finance and Spandana Sphoorty are likely to report losses for the quarter.

For MSME financiers under our coverage, we expect a 6% QoQ/35% YoY rise in AUM, and thereby 3% QoQ/30% YoY rise in NII. PAT growth is likely to be 3% lower QoQ, but strong YoY at 31%, due to elevated credit cost QoQ.

For vehicle financiers under our coverage, we expect a 5% QoQ/24% YoY rise in AUM, and thereby 3% QoQ/20% YoY rise in NII. Credit cost is expected to be relatively soft at 8% QoQ/11% YoY, therefore, leading to better profitability growth at 25% YoY and flat QoQ.

For diversified NBFCs under our coverage, we expect a 6% QoQ/26% YoY rise in AUM, and thereby 5% QoQ/22% YoY rise in NII. However, expectations of a sizeable inch-up in credit cost for Poonawalla Fincorp, we envisage overall profitability to decline 30% QoQ and 11% YoY. For Bajaj Finance, we expect PAT growth to be at 15% YoY, relatively lower than its usual run-rate of ~20% YoY, due to an uptick in credit cost of 8% QoQ/69% YoY.

For our overall NBFC coverage universe, we expect a 4% QoQ/20% YoY rise in AUM, and thereby 3% QoQ and 18% YoY rise in NII. However, overall elevated provisions at 17% QoQ/38% YoY for our coverage universe would result in 2% QoQ decline in PAT and slow YoY growth at 11%.

Exhibit 1: NBFCs coverage universe

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	13,230,412	15,236,326	15,910,314	20	4
NII	237,941	273,146	281,637	18	3
PPoP	183,770	210,835	216,982	18	3
Provisions	48,865	57,618	67,618	38	17
PBT	147,117	153,217	149,365	2	(3)
PAT	101,961	115,138	112,884	11	(2)

Source: Company data, I-Sec research

Note: Aadhar Housing Finance is not included since YoY numbers are not available for comparison purpose

Housing finance companies**Exhibit 2: HFCs Universe (excluding Aadhar)**

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	3,818,719	4,051,056	4,178,245	9	3
NII	34,971	34,614	36,096	3	4
PPoP	29,963	29,421	30,860	3	5
Provisions	4,894	1,556	2,753	(44)	77
PBT	25,068	27,865	28,107	12	1
PAT	19,751	22,020	21,817	10	(1)

Source: Company data, I-Sec research

Note: Aadhar Housing Finance is not included since YoY numbers are not available for comparison purpose

Exhibit 3: AHFCs Universe (excluding Aadhar)

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	364,699	439,006	464,001	27	6
NII	7,299	8,214	8,646	18	5
PPoP	5,451	6,283	6,613	21	5
Provisions	254	244	304	20	24
PBT	5,197	6,039	6,310	21	4
PAT	4,041	4,689	4,836	20	3

Source: Company data, I-Sec research

Note: Aadhar Housing Finance is not included since YoY numbers are not available for comparison purpose

Exhibit 4: Prime mortgage HFCs Universe

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	34,54,020	36,12,050	37,14,244	8	3
NII	27,672	26,401	27,450	(1)	4
PPoP	24,512	23,138	24,246	(1)	5
Provisions	4,640	1,311	2,449	(47)	87
PBT	19,872	21,826	21,797	10	(0)
PAT	15,711	17,330	16,982	8	(2)

Source: Company data, I-Sec research

Exhibit 5: Aadhar Housing Finance

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	1,88,849	2,17,263	2,27,966	21	4.93
NII	NA	3,574	3,683	NA	3.06
PPoP	NA	2,759	2,891	NA	4.79
Provisions	NA	187	106	NA	(43.39)
PBT	NA	2,572	2,785	NA	8.28
PAT	NA	2,001	2,167	NA	8.28
NIM calc	NA	6.7	6.6	NA	-6 bps
Opex/AUM (Ann.)	NA	2.7	2.6	NA	-5 bps
Credit cost (Ann.)	NA	0.3	0.2	NA	-16 bps
ROA	NA	4.1	4.2	NA	11 bps

Source: Company data, I-Sec research

Note: Aadhar Housing Finance YoY numbers are not available

Exhibit 6: Aavas Financiers

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	1,53,195	1,78,415	1,84,265	20	3
NII	2,729	2,811	2,860	5	2
PPoP	1,631	1,695	1,688	3	(0)
Provisions	65	86	75	15	(13)
PBT	1,565	1,609	1,613	3	0
PAT	1,217	1,261	1,263	4	0
NIM calc	7.3	6.4	6.3	-98 bps	-9 bps
Opex/AUM (Ann.)	3.5	3.1	3.2	-30 bps	5 bps
Credit cost (Ann.)	0.2	0.2	0.2	-1 bps	-3 bps
ROA	3.3	3.0	3.0	-34 bps	-4 bps

Source: Company data, I-Sec research

Exhibit 7: Aptus Value Housing Finance

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	76,040	90,720	97,343	28	7
NII	2,285	2,611	2,841	24	9
PPoP	1,951	2,253	2,459	26	9
Provisions	56	36	74	33	102
PBT	1,896	2,216	2,385	26	8
PAT	1,480	1,717	1,785	21	4
NIM calc	12.4	11.7	12.1	-33 bps	34 bps
Opex/AUM (Ann.)	2.9	2.7	2.7	-19 bps	2 bps
Credit cost (Ann.)	0.3	0.2	0.3	1 bps	15 bps
ROA	7.7	7.5	7.3	-34 bps	-14 bps

Source: Company data, I-Sec research

Exhibit 8: HomeFirst Finance

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	83,654	1,04,781	1,12,403	34	7
NII	1,321	1,464	1,537	16	5
PPoP	1,044	1,191	1,256	20	6
Provisions	80	56	75	(6)	35
PBT	964	1,135	1,181	23	4
PAT	743	878	913	23	4
NIM calc	6.5	5.8	5.7	-89 bps	-15 bps
Opex/AUM (Ann.)	2.8	2.6	2.5	-27 bps	-7 bps
Credit cost (Ann.)	0.4	0.2	0.3	-13 bps	5 bps
ROA	3.8	3.6	3.6	-23 bps	1 bps

Source: Company data, I-Sec research

Exhibit 9: India Shelter

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	51,810	65,090	69,990	35	8
NII	964	1,328	1,408	46	6
PPoP	824	1,144	1,211	47	6
Provisions	53	66	80	51	20
PBT	771	1,078	1,131	47	5
PAT	600	833	874	46	5
NIM calc	7.76	8.44	8.34	57 bps	-10 bps
Opex/AUM (Ann.)	4.53	4.41	4.40	-14 bps	-2 bps
Credit cost (Ann.)	0.43	0.42	0.47	4 bps	5 bps
ROA	5.08	5.57	5.67	58 bps	9 bps

Source: Company data, I-Sec research

Exhibit 10: LIC Housing Finance

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	27,79,870	28,86,650	29,67,082	7	3
NII	21,066	19,891	20,679	(2)	4
PPoP	18,993	17,715	18,552	(2)	5
Provisions	4,192	1,431	2,049	(51)	43
PBT	14,801	16,284	16,503	12	1
PAT	11,881	13,002	12,847	8	(1)
NIM calc	3.04	2.76	2.83	-22 bps	6 bps
Opex/AUM (Ann.)	0.37	0.36	0.36	-2 bps	-1 bps
Credit cost (Ann.)	0.60	0.20	0.28	-33 bps	8 bps
ROA	1.69	1.77	1.70	1 bps	-7 bps

Source: Company data, I-Sec research

Exhibit 11: PNB Housing Finance

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	6,74,150	7,25,400	7,47,162	11	3
NII	6,606	6,510	6,770	3	4
PPoP	5,519	5,422	5,695	3	5
Provisions	448	(120)	400	(11)	(434)
PBT	5,071	5,542	5,295	4	(4)
PAT	3,830	4,328	4,135	8	(4)
NIM calc	3.9	3.6	3.7	-25 bps	5 bps
Opex/AUM (Ann.)	1.0	1.07	1.10	9 bps	2 bps
Credit cost (Ann.)	0.3	(0.1)	0.2	-7 bps	30 bps
ROA	2.2	2.4	2.3	10 bps	-11 bps

Source: Company data, I-Sec research

Small finance banks (SFBs)**Exhibit 12: Universe (Small Finance Banks)**

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
Gross Advances	13,77,240	17,44,400	18,06,920	31	4
Deposits	14,96,867	18,54,910	20,27,599	35	9
NII	32,794	42,367	42,814	31	1
PPoP	16,989	21,493	20,982	23	(2)
Provisions	3,077	8,588	9,000	193	5
PBT	13,912	12,905	11,982	(14)	(7)
PAT	10,421	9,668	9,030	(13)	(7)

Source: Company data, I-Sec research

Exhibit 13: AU Small Finance Bank

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
Gross Advances	6,50,290	9,07,020	9,60,300	48	6
Deposits	7,57,429	9,72,900	10,96,900	45	13
NII	12,490	19,206	19,782	58	3
PPoP	6,477	9,881	9,962	54	1
Provisions	1,143	3,192	3,600	215	13
PBT	5,334	6,689	6,362	19	(5)
PAT	4,018	5,026	4,771	19	(5)
GNPL (%)	1.9	1.8	2.1	19 bps	32 bps
NNPL (%)	0.6	0.6	0.7	10 bps	6 bps
NIM	5.5	6.0	5.8	30 bps	-20 bps
Credit cost (Ann.)	0.7	1.4	1.5	79 bps	9 bps
ROA	1.7	1.6	1.6	-12 bps	0 bps

Source: Company data, I-Sec research

Exhibit 14: Equitas Small Finance Bank

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
Gross Advances	3,12,290	3,48,710	3,60,500	15	3
Deposits	3,08,395	3,75,240	3,98,590	29	6
NII	7,656	8,015	8,095	6	1
PPoP	3,302	3,404	3,363	2	(1)
Provisions	632	3,046	2,000	216	(34)
PBT	2,670	358	1,363	(49)	281
PAT	1,981	258	1,055	(47)	310
GNPL (%)	2.1	2.7	3.0	88 bps	27 bps
NNPL (%)	0.9	0.8	1.0	9 bps	17 bps
NIM	8.4	8.0	7.8	-63 bps	-17 bps
Credit cost (Ann.)	0.8	3.5	2.3	142 bps	-127 bps
ROA	2.0	0.2	0.9	-115 bps	66 bps

Source: Company data, I-Sec research

Exhibit 15: Ujjivan Small Finance Bank

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
Gross Advances	2,65,740	3,00,690	3,00,020	13	(0)
Deposits	2,91,393	3,25,140	3,41,397	17	5
NII	8,233	9,415	9,320	13	(1)
PPoP	4,834	5,095	4,779	(1)	(6)
Provisions	469	1,099	1,600	241	46
PBT	4,364	3,997	3,179	(27)	(20)
PAT	3,277	3,011	2,394	(27)	(20)
GNPL (%)	2.4	2.5	2.7	35 bps	18 bps
NNPL (%)	0.1	0.4	0.6	51 bps	19 bps
NIM	8.8	9.3	9.0	19 bps	-31 bps
Credit cost (Ann.)	0.7	1.5	2.1	140 bps	66 bps
ROA	3.6	2.9	2.3	-130 bps	-65 bps

Source: Company data, I-Sec research

Exhibit 16: Utkarsh Small Finance Bank

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
Gross Advances	1,48,920	1,87,980	1,86,100	25	(1)
Deposits	1,39,650	1,81,630	1,90,712	37	5
NII	4,415	5,731	5,617	27	(2)
PPoP	2,377	3,112	2,878	21	(8)
Provisions	833	1,250	1,800	116	44
PBT	1,544	1,862	1,078	(30)	(42)
PAT	1,144	1,374	809	(29)	(41)
GNPL (%)	2.8	2.8	3.0	20 bps	22 bps
NNPL (%)	0.2	0.3	0.5	30 bps	24 bps
NIM	9.2	9.4	9.0	-20 bps	-40 bps
Credit cost (Ann.)	2.3	2.7	3.8	157 bps	115 bps
ROA	2.3	2.3	1.3	-107 bps	-98 bps

Source: Company data, I-Sec research

Microfinance

Exhibit 17: Universe (microfinance)

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	4,22,984	5,02,200	4,74,974	12	(5)
NII	15,612	19,172	18,120	16	(5)
PPoP	10,620	12,939	12,093	14	(7)
Provisions	2,621	7,349	11,126	324	51
PBT	7,999	5,591	967	(88)	(83)
PAT	5,979	4,178	725	(88)	(83)

Source: Company data, I-Sec research

Exhibit 18: CreditAccess Grameen

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	2,24,880	2,63,040	2,54,464	13	(3)
NII	8,231	10,017	9,516	16	(5)
PPoP	5,626	7,093	6,683	19	(6)
Provisions	959	1,746	2,426	153	39
PBT	4,668	5,347	4,257	(9)	(20)
PAT	3,470	3,977	3,193	(8)	(20)
Credit cost (Ann.)	1.7	2.6	3.8	201 bps	111 bps
ROAUM	6.27	6.00	4.94	-134 bps	-107 bps

Source: Company data, I-Sec research

Exhibit 19: Fusion Finance

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	1,00,264	1,21,930	1,15,865	16	(5)
NII	3,556	4,649	4,324	22	(7)
PPoP	2,418	2,978	2,723	13	(9)
Provisions	762	3,485	5,500	622	58
PBT	1,656	(507)	(2,777)	NM	NM
PAT	1,257	(356)	(2,083)	NM	NM
Credit cost (Ann.)	3.4	12.7	20.4	1698 bps	763 bps
ROAUM	5.1	(1.2)	(7.0)	-1211 bps	-581 bps

Source: Company data, I-Sec research

Exhibit 20: Spandana Spahoorty

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	97,840	1,17,230	1,04,645	7	(11)
NII	3,825	4,505	4,280	12	(5)
PPoP	2,576	2,869	2,687	4	(6)
Provisions	901	2,118	3,200	255	51
PBT	1,675	751	(513)	NM	NM
PAT	1,252	557	(385)	NM	NM
Credit cost (Ann.)	4.1	7.8	11.8	777 bps	400 bps
ROAUM	5.4	1.9	(0.6)	-596 bps	-246 bps

Source: Company data, I-Sec research

MSME financiers

Exhibit 21: Universe (MSME/SME financiers)

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	240,978	306,990	325,526	35	6
NII	7,546	9,533	9,799	30	3
PPoP	4,513	6,196	6,219	38	0
Provisions	364	685	849	134	24
PBT	4,150	5,511	5,369	29	(3)
PAT	3,098	4,166	4,060	31	(3)

Source: Company data, I-Sec research

Exhibit 22: Fedbank Financial

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	100,304	131,881	139,794	39	6
NII	2,073	2,496	2,622	26	5
PPoP	922	1,288	1,262	37	(2)
Provisions	148	352	444	200	26
PBT	774	936	817	6	(13)
PAT	578	702	611	6	(13)
Credit cost (Ann.)	0.6	1.1	1.3	70 bps	20 bps
ROAUM	2.4	2.4	2.0	-43 bps	-43 bps

Source: Company data, I-Sec research

Exhibit 23: FiveStar Business Finance

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	82,644	1,03,439	1,09,045	32	5
NII	4,165	5,273	5,326	28	1
PPoP	2,775	3,708	3,698	33	(0)
Provisions	106	185	230	118	24
PBT	2,670	3,523	3,468	30	(2)
PAT	1,994	2,677	2,635	32	(2)
Credit cost (Ann.)	0.5	0.7	0.9	33 bps	12 bps
ROAUM	10.1	10.7	9.9	-15 bps	-80 bps

Source: Company data, I-Sec research

Exhibit 24: SBFC

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	58,030	71,670	76,687	32	7
NII	1,308	1,764	1,852	42	5
PPoP	816	1,199	1,259	54	5
Provisions	110	148	175	59	18
PBT	706	1,051	1,084	53	3
PAT	526	787	813	54	3
Credit cost (Ann.)	0.8	0.8	0.9	15 bps	9 bps
ROAUM	3.8	4.6	4.4	54 bps	-18 bps

Source: Company data, I-Sec research

Vehicle financiers

Exhibit 25: Universe (vehicle financiers)

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	42,06,100	49,52,246	52,01,499	24	5
NII	81,971	95,913	98,381	20	3
PPoP	58,442	68,386	70,015	20	2
Provisions	21,549	22,171	23,935	11	8
PBT	36,893	46,215	46,080	25	(0)
PAT	27,485	34,358	34,336	25	(0)

Source: Company data, I-Sec research

Exhibit 26: Cholamandalam Finance

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	12,42,460	15,54,420	16,47,685	33	6
NII	20,153	25,738	26,478	31	3
PPoP	14,206	18,499	18,832	33	2
Provisions	3,998	5,814	6,185	55	6
PBT	10,208	12,685	12,647	24	(0)
PAT	7,625	9,422	9,463	24	0
NIM	7.5	7.9	7.7	24 bps	-24 bps
Credit cost (Ann.)	1.3	1.5	1.5	20 bps	0 bps
ROAUM	2.6	2.5	2.4	-19 bps	-14 bps

Source: Company data, I-Sec research

Exhibit 27: M&M Finance

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	9,37,230	10,63,390	11,26,000	20	6
NII	15,870	17,836	17,470	10	(2)
PPoP	9,428	11,345	11,263	19	(1)
Provisions	6,266	4,482	5,750	(8)	28
PBT	3,163	6,864	5,513	74	(20)
PAT	2,352	5,130	4,135	76	(19)
NIM	7.04	6.83	6.38	-66 bps	-45 bps
Credit cost (Ann.)	2.78	1.72	2.10	-68 bps	38 bps
ROAUM	1.04	1.96	1.51	46 bps	-46 bps

Source: Company data, I-Sec research

Exhibit 28: Shriram Finance

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	20,26,410	23,34,436	24,27,814	20	4
NII	45,947	52,339	54,432	18	4
PPoP	34,808	38,541	39,920	15	4
Provisions	11,286	11,876	12,000	6	1
PBT	23,523	26,666	27,920	19	5
PAT	17,508	19,806	20,738	18	5
NIM	9.3	9.1	9.1	-15 bps	0 bps
Credit cost (Ann.)	2.3	2.1	2.0	-27 bps	-6 bps
ROAUM	3.3	3.3	3.4	7 bps	9 bps

Source: Company data, I-Sec research

Diversified NBFCs

Exhibit 29: Universe (Diversified NBFCs)

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	49,06,330	58,62,840	61,94,071	26	6
NII	1,05,140	1,22,129	1,27,887	22	5
PPoP	85,683	1,00,177	1,04,410	22	4
Provisions	19,691	26,102	29,258	49	12
PBT	78,203	74,075	75,151	(4)	1
PAT	49,688	55,106	56,782	14	3

Source: Company data, I-Sec research

Exhibit 30: Aditya Birla Capital

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	9,35,220	10,73,060	11,26,713	20	5
NII	15,407	17,461	18,038	17	3
PPoP	10,830	12,010	12,790	18	6
Provisions	3,470	3,680	3,802	10	3
PBT	7,360	8,330	8,989	22	8
PAT	5,480	6,210	6,742	23	9
NIM	6.87	6.56	6.56	-32 bps	-1 bps
Credit cost (Ann.)	1.59	1.43	1.38	-21 bps	-5 bps
ROAUM	2.44	2.33	2.45	0 bps	11 bps

Source: Company data, I-Sec research

Exhibit 31: Bajaj Finance

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	29,81,620	36,32,890	38,49,926	29	6
NII	71,970	83,653	88,097	22	5
PPoP	58,347	69,475	72,737	25	5
Provisions	10,771	16,847	18,239	69	8
PBT	47,576	52,628	54,497	15	4
PAT	35,508	39,120	40,780	15	4
NIM	10.08	9.52	9.42	-66 bps	-10 bps
Credit cost (Ann.)	1.51	1.92	1.95	44 bps	3 bps
ROAUM	4.97	4.45	4.36	-62 bps	-9 bps

Source: Company data, I-Sec research

Exhibit 32: L&T Finance

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	787,340	887,170	927,093	18	4
NII	17,290	20,200	21,028	22	4
PPoP	13,150	14,370	14,959	14	4
Provisions	5,170	5,150	5,588	8	9
PBT	7,980	9,220	9,371	17	2
PAT	6,400	6,860	6,982	9	2
NIM	8.8	9.3	9.3	47 bps	-1 bps
Credit cost (Ann.)	2.6	2.4	2.5	-17 bps	10 bps
ROAUM	3.0	3.1	3.1	5 bps	-8 bps

Source: Company data, I-Sec research

Exhibit 33: Poonawalla Fincorp

Particulars (INR mn)	Q2FY24	Q1FY25	Q2FY25E	YoY Growth (%)	QoQ Growth (%)
AUM	202,150	269,720	283,500	40	5
NII	473	814	673	42	(17)
PPoP	3,356	4,321	3,899	16	(10)
Provisions	281	425	1,490	431	251
PBT	15,287	3,897	2,409	(84)	(38)
PAT	2,300	2,916	1,803	(22)	(38)
NIM	10.0	8.9	8.6	-144 bps	-31 bps
Credit cost (Ann.)	0.6	0.7	2.2	156 bps	150 bps
ROAUM	4.8	4.5	2.6	-224 bps	-189 bps

Source: Company data, I-Sec research

Note: Q2FY24 is excluding exceptional item

Provisional business update - company wise for NBFCs

Exhibit 34: Bajaj Finance

	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25P
Customer franchise (mn)	76.56	80.41	83.64	88.11	92.09
YoY Growth (%)	21.7	21.7	21.0	20.7	20.3
QoQ Growth (%)	4.9	5.0	4.0	5.3	4.5
New loans (mn)	8.53	9.86	7.87	10.97	9.69
YoY Growth (%)	26.2	25.8	4.1	10.4	13.6
QoQ Growth (%)	-14.2	15.6	-20.2	39.4	-11.7
Assets under management (INR bn)	2,902	3,110	3,304	3,541	3,739
YoY Growth (%)	32.9	34.7	33.6	31.1	28.8
QoQ Growth (%)	7.5	7.2	6.2	7.2	5.6
Deposits book	548	580	601	628	661
YoY Growth (%)	39.0	34.9	34.6	25.8	20.6
QoQ Growth (%)	9.8	5.8	3.6	4.4	5.3
Consolidated net liquidity surplus (INR bn)	114	116	157	162	201
YoY Growth (%)	22.6	-9.0	32.5	27.6	76.3
QoQ Growth (%)	-10.2	1.8	35.3	3.2	24.1

Source: Company data, I-Sec research

Exhibit 35: M&M Finance

	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25P
Disbursements (INR bn)	133	155	153	127	132
YoY Growth (%)			11.3	4.8	-1.1
QoQ Growth (%)	9.5	16.5	-1.3	-16.8	3.4
Business Asset (INR bn)	936	968.5	1024	1062	1126
YoY Growth (%)			24.4	22.6	20.3
QoQ Growth (%)	8.1	3.5	5.7	3.7	6.0
Collection efficiency (%)	97.0	98.0	101.0	95.0	96.0
Stage-2	5.8	5.8	5.1	6.1	6.1
Stage-3	4.4	4.0	3.3	3.6	3.6
Liquidity (INR bn)	2.5 months	2.5 months	76.5	80.0	80.0

Source: Company data, I-Sec research

Exhibit 36: Poonawalla Fincorp

	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25P
AUM (INR mn)	2,01,100	2,18,500	2,48,000	2,69,700	2,83,500
YoY Growth (%)				34.1	29.7
QoQ Growth (%)		8.7	13.5	8.7	5.1
Liquidity (INR bn)	38	28.75	36	52	57

Source: Company data, I-Sec research

Exhibit 37: Five Star Business Finance

	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25P
Total Collections Efficiency (%)				98.5	98.4
Unique Customer Collections Efficiency (%)				97.2	97.0

Source: Company data, I-Sec research

Provisional business update - company wise for SFBs

Exhibit 38: AU Small Finance Bank

	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25P
Gross Advances (Rs Bn)	650	676	865	907	960
YoY Growth (%)	24.0	20.0	46.2	42.5	47.7
QoQ Growth (%)	2.2	4.0	27.9	4.9	5.9
Gross Loan Portfolio (Rs Bn)			965	998	1,050
QoQ Growth (%)				3.4	5.2
Securitised/assigned portfolio (Rs Bn)			100	91	90
QoQ Growth (%)				-9.2	-1.0
Deposits (Rs Bn)	757	801	977	973	1,097
YoY Growth (%)	29.8	31.1	40.9	40.4	44.8
QoQ Growth (%)	9.3	5.8	21.9	-0.4	12.7
CASA Share (%)	33.9	33.0	32.2	32.9	32.4
CASA (Rs Bn)	257	264	315	320	355
YoY Growth (%)	4.8	12.7	18.0	31.9	38.4
QoQ Growth (%)	5.7	3.0	18.9	1.8	10.9
LDR (%)	85.9	84.4	88.5	93.2	87.5
Disbursement (Rs Bn)	NA	NA	NA	NA	NA

Source: Company data, I-Sec research

Exhibit 39: Equitas Small Finance Bank

	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25P
AUM (Rs Bn)	312	328	343	349	361
YoY Growth (%)	37.1	31.6	23.2	17.8	15.4
QoQ Growth (%)	5.5	5.0	4.8	1.6	3.4
Deposits (Rs Bn)	308	324	361	375	399
YoY Growth (%)	42.2	38.6	42.5	35.4	29.2
QoQ Growth (%)	11.3	5.0	11.6	3.9	6.2
CASA Share (%)	33.6	32.7	32.0	31.2	30.6
CASA (Rs Bn)	103	106	116	117	122
YoY Growth (%)	-1.0	-1.8	8.0	9.7	17.7
QoQ Growth (%)	-3.2	2.4	9.1	1.5	3.9
LDR (%)	101.3	101.2	95.0	92.9	90.4
Cost of funds (%)	7.21	7.36	7.44	7.46	7.50

Source: Company data, I-Sec research

Exhibit 40: Suryoday Small Finance Bank

	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25P
Gross advances (Rs Bn)	69	76	87	90	94
YoY Growth (%)			41.5	41.8	35.2
QoQ Growth (%)	8.6	9.8	13.8	4.5	3.6
Deposits (Rs Bn)	64	65	78	81	89
YoY Growth (%)			50.5	42.2	38.6
QoQ Growth (%)	11.6	1.5	19.9	4.6	8.8
Retail deposits (Rs Bn)	50	54	61	64	71
YoY Growth (%)			62.1	48.2	43.3
QoQ Growth (%)	14.5	8.0	14.5	4.7	10.6
Bulk deposits (Rs Bn)	14	11	16	17	18
YoY Growth (%)			17.1	23.5	22.3
QoQ Growth (%)	2.9	(20.9)	43.6	5.7	1.9
CASA (Rs Bn)	10	12	16	14	16
YoY Growth (%)			77.1	68.5	57.5
QoQ Growth (%)	17.6	19.3	30.7	(8.1)	9.9
Disbursements (Rs Bn)	16	18	23	17	16
YoY Growth (%)			38.6	46.2	1.8
QoQ Growth (%)	34.3	12.1	30.6	(25.6)	(6.6)
CASA (%)	16	19	20	18	18
Collection efficiency (%)	102	100	101	101	98
GNPA (%)	2.86	2.90	2.80	2.67	2.92
LDR (%)	108	117	111	111	106

Source: Company data, I-Sec research

Glossary:

AHFCs - Affordable Housing Finance Companies

HFCs - Housing Finance Companies

MFI – Microfinance

NBFCs - Non Banking Financial Companies

SCBs – Schedule Commercial Banks

MCLR – Marginal Cost of Lending Rates

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