



Yet another quarter of strong results !!!

Consol PAT came in at INR 966 cr, up by 33.3% yoy & 9.5% qoq. For standalone NBFC, PAT grew by 20.7% yoy / -19.7% qoq to INR 740 cr led by healthy asset growth, margin expansion & improved asset quality. In Q2FY26, standalone NBFC received dividend income of INR 311 cr, if we exclude this, PAT grew by 7.7% on qoq basis. For NBFC, AUM grew by 24% yoy / 6% qoq to INR 1.48 trillion. Mgmt is confident that 24-25% AUM growth is likely to continue going forward as well. Reported margins expanded by 6 bps on qoq basis to 6.12% due to decline in the funding cost. As per management, yields & margins will take couple quarters to improve from current levels vs. earlier guidance of improving margin profile. Asset quality further improved during the quarter – GS2 & GS3 improved to 2.8% in Q3 vs. 3% in Q2. Management highlighted that credit cost will be at 1.2-1.3% levels for FY26 period.

HFC is growing in leaps & bounds - PAT came in at INR 178 cr, up 112% yoy / 17.9% qoq led by strong asset growth & stable asset quality. Advent International announced a deal on February 3, 2026, to acquire a 14.3% stake in Aditya Birla Housing Finance (ABHFL), the housing finance arm of Aditya Birla Capital, for INR 2,750 crore (\$304 million). This values ABHFL at around INR 19,250 crore post-money, with Aditya Birla Capital retaining 85.7% ownership. The deal has valued the HFC at ~2.1x on FY27e ABV (which he baked in 1.5x for our SOTP calculations; signalling upside). AUM recorded strong growth of 58% yoy / 10% qoq to INR 42204 cr. HFC aims to continue growth momentum & expand market share; achieve ROA of 2-2.2% in next 6-8 quarters vs. 1.8% (9MFY26)

We are valuing the company at INR 423 with BUY rating, giving us upside potential of 22% from current levels.

Financial Summary (NBFC – Standalone)

Y/E Mar (Rs cr)	FY24e	FY25e	FY26e	FY27e	FY28e
Consol PAT	2921	2903	3528	4431	5462
growth (yoy %)	87.1	-0.6	21.5	25.6	23.3
Adj BVPS	80	91	104	128	152
EPS (Rs)	11	11	14	16	20
RoE (%)	17.5	12.3	13.1	13.6	13.6
RoA (%)	2.9	2.3	2.3	2.4	2.5
Cost/Income (%)	28.2	29.0	29.0	27.9	27.3
Spreads	4.9	4.3	4.3	4.5	4.5
Gross NPAs (%)	2.5	2.3	2.0	1.9	1.8
Net NPAs (%)	1.3	1.2	1.0	1.0	0.9
PCR (%)	49.9	44.9	47.8	48.4	48.1
Slippages (%)	1.4	1.1	1.0	1.0	1.0
Credit Cost (%)	1.5	1.3	1.2	1.3	1.3
AUM	105639	126350	153971	186757	225575
AUM growth (%)	31.1	19.6	21.9	21.3	20.8

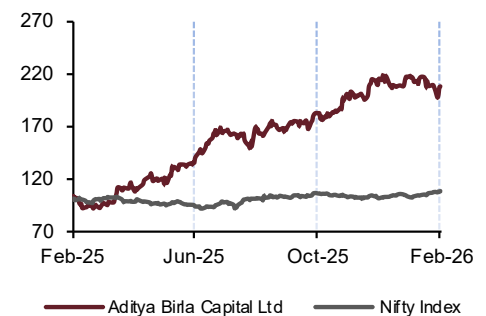
Source: Dalal & Broacha Research, Company

Rating	TP (Rs)	Up/Dn (%)
BUY	423	22

Market data

Current price	Rs	347
Market Cap (Rs.Bn)	(Rs Bn)	907
Market Cap (US \$ Mn)	(US \$ Mn)	10,050
Face Value	Rs	10
52 Weeks High/Low	Rs	369.3 / 148.75
Average Daily Volume	('000)	8,365
BSE Code		540691
Bloomberg		ABCAP.IN
Source: Bloomberg		

One Year Performance



Source: Bloomberg

% Shareholding	Dec-25	Sep-25
Promoters	69	69
Public	31	31
Others		
Total	100	100

Source: BSE

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Management Outlook for FY26

NBFC

- Credit cost is expected to be ~1.2-1.3% levels
- Margins & yields will take 4-5 quarters before it seems improvement
- It expects ROA of current 2.25% in Q3FY26 to improve to 2.5% in the medium term and to 3% levels over the longer run

HFC

- It is likely to continue the growth momentum & expand market share; achieve ROA of 2-2.2% in next 6-8 quarters vs. 1.7% currently.

Others

- For life insurance segment, it is aiming to achieve net VNB margin of >18% levels

Valuations

Aditya Birla Capital Limited (ABCL), part of the Aditya Birla Group, is a diversified financial services powerhouse with a strong presence across lending and housing finance, asset management, life and non-life insurance, securities broking and asset reconstruction, backed by an experienced management team and a solid AAA credit profile. In the current context, AB Capital's results have been relatively superior versus peers on both growth and asset quality, in our view, and the franchise now appears to be in a sweet spot where it combines healthy, sustainable growth with a balance sheet that has scaled to a meaningful size.

Based on our SOTP valuations, **we assign a revised target price of INR 423 per share with BUY rating** (valuing NBFC at INR 274 at 1.8x FY28e ABV for ROA of 2.4-2.5%, HFC INR 52 i.e. valuing it 2.1x FY28e ABV, AMC at INR 33 i.e. valuing at current market cap, life insurance at INR 50 per share i.e. valuing at 1.5x FY28e P/EV) giving us upside of 22% from current levels.

SOTP Valuations

Subsidiaries Details	Holding (%)	Valuation Methodology	Holdco Discount	Enterprise Value	Value Per Share of AB Capital	Value Per share post holdco discount	Contribution to TP (%)
Aditya Birla Finance (NBFC)	100%	1.8x FY28 ABV		71,370	274	274	65
Aditya Birla Housing Finance (HFC)	86%	2.1x FY28e ABV	20%	19,666	65	52	12
Aditya Birla Sun Life AMC	45%	Current Mkt Price	20%	23,709	41	33	8
Aditya Birla Sun Life Insurance	51%	1.5x FY28e P/EV	20%	31,873	63	50	12
Aditya Birla Money	74%	At CMP	20%	730	2	2	0
ARC	100%		20%	3,884	15	12	3
Target Price						423	
CMP						346	
Upside (%)						22%	

Source: Dalal & Broacha Research, Company

Results Highlights Q3FY26

- Consol PAT came in at INR 966 cr, up by 33.3% yoy & 9.5% qoq. For standalone NBFC, PAT grew by 20.7% yoy / -19.7% qoq to INR 740 cr led by healthy asset growth, margin expansion & improved asset quality. In Q2FY26, standalone NBFC received dividend income of INR 311 cr, if we exclude this, PAT growth is 7.7% on qoq basis.

NBFC

- For standalone NBFC, PAT grew by 20.7% yoy / -19.7% qoq to INR 740 cr led by healthy asset growth, margin expansion & improved asset quality. In Q2FY26, standalone NBFC received dividend income of INR 311 cr, if we exclude this, PAT growth is 7.7% on qoq basis.
- Disbursements recorded growth of 41% yoy / -3% qoq to INR 21417 cr led by secured business (54% yoy; 39% share), PL & consumer loans (65% yoy; 23% share) and corporate loans (20% yoy; 31% share). Improvement in the PL & Consumer loans during the quarter was led by branch business and scale-up of the direct digital business through proprietary journey. Management highlighted that for MSME lending – the recent measures announced in the Union budget to enhance liquidity support for MSMEs through TReDS platform shall be beneficial for AB Capital in this growing opportunity through supply chain financing comprising of invoice discounting, channel financing, merchant cash advance spreading across MSME value chain.
- AUM grew by 24% yoy / 6% qoq to INR 1.48 trillion. Mgmt is confident that 24-25% AUM growth is likely to continue going forward. Personal & consumer loans grew by 28% yoy / 9% qoq to INR 19,921 cr (13% share). While business loans (56% share) & corporate & mid-market loans (31% share) grew by 26% & 19% respectively.

AUM details of NBFC and its growth

AUM (Rs.cr)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
-Unsecured Loans	10546	11020	11196	12066	12344	13663	15278
-Secured Loans	47557	52207	54402	57992	60227	63869	67528
Total Business Loans	58103	63227	65598	70058	72571	77532	82806
Personal & Consumer Loans	16130	15793	15520	15532	16446	18218	19921
Corporate / Mid-market Loans	33071	35690	38319	40760	42211	43834	45455
Total AUM	107304	114710	119437	126350	131228	139584	148182
Growth (yoy %)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
-Unsecured Loans	23.0	16.5	12.1	9.9	17.0	24.0	36.5
-Secured Loans	43.3	44.5	37.0	28.1	26.6	22.3	24.1
Total Business Loans	39.1	38.7	32.0	24.6	24.9	22.6	26.2
Personal & Consumer Loans	-8.8	-18.3	-20.8	-10.9	2.0	15.4	28.4
Corporate / Mid-market Loans	25.1	24.8	30.8	27.5	27.6	22.8	18.6
Total AUM	24.9	22.7	21.1	19.6	22.3	21.7	24.1
Growth (qoq %)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
-Unsecured Loans	-3.9	4.5	1.6	7.8	2.3	10.7	11.8
-Secured Loans	5.1	9.8	4.2	6.6	3.9	6.0	5.7
Total Business Loans	3.3	8.8	3.7	6.8	3.6	6.8	6.8
Personal & Consumer Loans	-7.5	-2.1	-1.7	0.1	5.9	10.8	9.3
Corporate / Mid-market Loans	3.4	7.9	7.4	6.4	3.6	3.8	3.7
Total AUM	1.6	6.9	4.1	5.8	3.9	6.4	6.2
Share (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
-Unsecured Loans	9.8	9.6	9.4	9.5	9.4	9.8	10.3
-Secured Loans	44.3	45.5	45.5	45.9	45.9	45.8	45.6
Total Business Loans	54.1	55.1	54.9	55.4	55.3	55.5	55.9
Personal & Consumer Loans	15.0	13.8	13.0	12.3	12.5	13.1	13.4
Corporate / Mid-market Loans	30.8	31.1	32.1	32.3	32.2	31.4	30.7
Total AUM	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Dalal & Broacha Research, Company

NBFC – Details on disbursements growth

Disbursements (Rs.cr)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
-Unsecured Loans	1078	1132	1267	1184	1090	1498	1458
-Secured Loans	5462	7381	5501	8287	6002	7968	8445
Total Business Loans	6540	8513	6768	9471	7092	9466	9903
Personal & Consumer Loans	2395	3262	2967	3071	3947	4970	4906
Corporate / Mid-market Loans	4508	7547	5499	6980	4811	7554	6608
Total Disbursements	13443	19322	15234	19522	15850	21990	21417
Growth (yoy %)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
-Unsecured Loans	-6.8	-22.1	-12.1	-14.4	1.1	32.3	15.1
-Secured Loans	32.2	40.4	-8.2	-2.0	9.9	8.0	53.5
Total Business Loans	23.7	26.9	-9.0	-3.8	8.4	11.2	46.3
Personal & Consumer Loans	-49.9	-37.5	-47.4	25.6	64.8	52.4	65.4
Corporate / Mid-market Loans	42.3	66.0	58.6	19.6	6.7	0.1	20.2
Total Disbursements	1.6	17.3	-8.0	7.7	17.9	13.8	40.6
Growth (qoq %)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
-Unsecured Loans	-22.1	5.0	11.9	-6.6	-7.9	37.4	-2.7
-Secured Loans	-35.4	35.1	-25.5	50.6	-27.6	32.8	6.0
Total Business Loans	-33.6	30.2	-20.5	39.9	-25.1	33.5	4.6
Personal & Consumer Loans	-2.0	36.2	-9.0	3.5	28.5	25.9	-1.3
Corporate / Mid-market Loans	-22.7	67.4	-27.1	26.9	-31.1	57.0	-12.5
Total Disbursements	-25.8	43.7	-21.2	28.1	-18.8	38.7	-2.6
Share (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
-Unsecured Loans	8.0	5.9	8.3	6.1	6.9	6.8	6.8
-Secured Loans	40.6	38.2	36.1	42.4	37.9	36.2	39.4
Total Business Loans	48.6	44.1	44.4	48.5	44.7	43.0	46.2
Personal & Consumer Loans	17.8	16.9	19.5	15.7	24.9	22.6	22.9
Corporate / Mid-market Loans	33.5	39.1	36.1	35.8	30.4	34.4	30.9
Total Disbursements	100.0	100.0	100.0	100.0	100.0	100.0	100.0

- **Margins improved on qoq basis** – Reported margins expanded by 6 bps on qoq basis to 6.12% due to decline in the funding cost. Avg. yield were largely stable 12.69% qoq while cost of funds came down by 6 bps qoq to 6.56%. As per management, yields & margins will take couple quarters to improve from current levels vs. earlier guidance of improving margin profile.

Margin Trends

Key Ratios (Reported)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Average Yield	13.51	13.14	12.90	12.90	12.71	12.68	12.69
Interest Cost/ Avg Lending Book	6.95	6.85	6.91	6.80	6.74	6.62	6.56
Net Interest Margin	6.56	6.28	6.00	6.07	5.97	6.06	6.12

- **Asset quality further improved during the quarter** – GS2 & GS3 improved to 2.8% in Q3 vs. 3% in Q2. Across the segments, there was improvement in the GS2 & GS 3 levels; for personal & consumer loans GS3 came down from 2.1% to 1.7% qoq and for corporate/mid-market loans 2.1% from 2.1% to 1.8% qoq. While for unsecured business loans, GS3 was stable at 1.9% qoq. Nearly, for unsecured business loans, 40% of stage 3 book is covered under government guarantee schemes, excluding which GS3 is 1.1%. While for secured business loans, Gs3 was stable at 1.2% qoq.

- Management highlighted that credit cost will be at 1.2-1.3% levels for FY26 period
- Impact of the new labour code was INR 9 cr during Q3FY26. Despite this, ROA of the NBFC during the quarter improved to 2.25% in Q3 vs. 2.2% in Q2. Management is confident that ROA will improve to 2.5% levels over coming next 4-5 quarters.

Quarterly asset quality performance of NBFC

Asset Quality (Rs cr)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Stage 1	102517	109365	112697	119426	123209	130336	137517
Stage 2	2051	1989	2329	1914	1834	1812	1819
Stage 3	2725	2851	2674	2777	2905	2261	2140

Asset Quality (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Stage 1	95.6	95.8	95.8	96.2	96.3	97.0	97.20
Stage 2	1.9	1.7	2.0	1.5	1.4	1.4	1.29
Stage 3	2.5	2.5	2.3	2.2	2.3	1.7	1.51
Stage 2 + 3	4.5	4.2	4.3	3.8	3.7	3.0	2.80
PCR (%)		46.0	45.6	45.0	41.2	44.2	44.3

Segment-wise asset quality	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
GS 2 (%)							
Personal & Consumer Loans	2.8	2.6	2.6	2.4	2.2	1.6	1.4
Unsecured Business	1.8	1.9	2.1	1.9	1.8	1.5	1.3
Secured Business	2.7	2.5	2.8	2.2	2.1	2.1	2.0
Corporate / Mid-Market	0.3	0.3	0.5	0.1	0	0	0.1
Total	1.9	1.7	2	1.5	1.4	1.3	1.3

GS 3 (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Personal& Consumer Loans	3.2	2.9	2.7	2.8	2.5	2.1	1.7
Unsecured Business	3.4	3.8	4.1	4.7	5.4	1.9	1.9
Secured Business	1.7	2	1.7	1.5	1.6	1.2	1.2
Corporate / Mid-Market	3.1	2.6	2.4	2.3	2.2	2.1	1.8
Total	2.5	2.5	2.3	2.2	2.3	1.7	1.5

GS3 PCR (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Personal& Consumer Loans	85.8	83.4	81.3	78.9	66.5	66.4	68.1
Unsecured Business	35.5	36.1	37.7	37.9	35.7	44.2	44.8
Secured Business	37.9	31.1	32.2	30.9	30.3	30.1	29.2
Corporate / Mid-Market	45.3	49.1	46.5	46.5	45.1	46	49.3
Total	49.5	46	45.6	45	41.2	44.2	44.3

Source: Dalal & Broacha Research, Company

Housing Finance Subsidiary

- HFC is growing in leaps & bounds - PAT came in at INR 178 cr, up 112% yoy / 17.9% qoq led by strong asset growth & stable asset quality
- Advent International announced a deal on February 3, 2026, to acquire a 14.3% stake in Aditya Birla Housing Finance (ABHFL), the housing finance arm of Aditya Birla Capital, for INR 2,750 crore (\$304 million). This values ABHFL at around INR 19,250 crore post-money, with Aditya Birla Capital retaining 85.7% ownership. The deal has valued the HFC at ~2.1x on FY27e ABV (which he baked in 1.5x for our SOTP calculations; signalling upside)
- The board of AB Capital has approved the deal; while it will further require CCI approval which may happen till March 2026
- ABHFL is full stack HFC player focusing on prime & affordable segments & construction finance. It is one of the fastest growing with AUM of ~INR 42,204 cr (3 yr CAGR of ~48%).
- AUM recorded strong growth of 58% yoy / 10% qoq to INR 42204 cr. At the same time, disbursements grew by 30% yoy / 7% qoq to INR 6165 cr. ABG ecosystem contribution is now at 17.6% of the retail disbursements
- NIMs (incl fees) improved from 5.07% in Q2 to 5.22% in Q3 led by decline in cost of funds. Share of the NCD in the borrowings mix has increased to 48% in Q3FY26 vs. 39% a year ago. Avg. cost of borrowings has come down further to 7.41% in Q3FY26.
- This resulted HFC recording one of the highest return ratios – ROA of 1.96% and ROE of 14.9%. Current CAR is 18% which shall increase further with capital infusion. Full year ROA is anticipated to be ~1.8% for FY26
- **Asset quality too improved** - Stage 2 + 3 NPLs seen decline from 1.1% in Q2FY26 & 1.77% in Q3FY25 to 0.95% in Q3FY26. Stage 3 PCR stood at 57.5% levels.
- Opex/AUM has improved by 51 bps yoy to 2.37%
- HFC aims to continue growth momentum & expand market share; achieve ROA of 2-2.2% in next 6-8 quarters vs. 1.8% (9MFY26)

Quarterly Profit & Loss Statement of HFC

(Rs.cr)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
NII (incl. fee income)	227	273	290	335	377	420	472
Operating Expenses	136	157	169	190	194	197	214
Operating Profit	91	116	121	145	183	223	258
Credit Provisioning	6	12	11	24	29	28	28
PBT	85	104	110	121	154	195	230
Tax	19	24	26	27	35	44	52
PAT	66	80	84	94	119	151	178
<i>growth (yoy %)</i>	<i>0.0</i>	<i>6.7</i>	<i>7.7</i>	<i>30.6</i>	<i>80.3</i>	<i>88.8</i>	<i>111.9</i>
<i>growth (qoq %)</i>	<i>-8.3</i>	<i>21.2</i>	<i>5.0</i>	<i>11.9</i>	<i>26.6</i>	<i>26.9</i>	<i>17.9</i>

Source: Dalal & Broacha Research, Company

AUM details of HFC

AUM Details (Rs.cr)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Total AUMs	20,399	23,236	26,714	31053	34,605	38,270	42204
Prime - Housing Loans	6,160	6,738	7,480	8,322	8,997	9,950	10,846
Prime - LAP	3,753	4,461	5,209	6,366	7,267	8,037	8,652
Affordable - Housing Loans	6,324	6,948	7,800	8,943	10,035	10,716	11,902
Affordable - LAP	1,836	2,161	2,618	3,012	3,461	3,827	4,094
Construction Finance	2,325	2,928	3,606	4,410	5,191	5,741	6,668
Growth (yoy %)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Total AUMs	40.6	50.5	61.5	68.6	69.6	64.7	58.0
Prime - Housing Loans	28.7	33.5	41.3	45.7	46.0	47.7	45.0
Prime - LAP	52.2	72.0	85.3	92.0	93.6	80.1	66.1
Affordable - Housing Loans	24.5	31.6	38.7	51.7	58.7	54.2	52.6
Affordable - LAP	80.8	91.7	126.1	104.4	88.5	77.1	56.4
Construction Finance	100.3	110.7	118.1	117.6	123.2	96.1	84.9
Growth (qoq %)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Total AUMs	10.7	13.9	15.0	16.2	11.4	10.6	10.3
Prime - Housing Loans	7.9	9.4	11.0	11.3	8.1	10.6	9.0
Prime - LAP	13.2	18.9	16.8	22.2	14.2	10.6	7.7
Affordable - Housing Loans	7.3	9.9	12.3	14.7	12.2	6.8	11.1
Affordable - LAP	24.6	17.7	21.1	15.1	14.9	10.6	7.0
Construction Finance	14.8	25.9	23.2	22.3	17.7	10.6	16.2
Share (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Total AUMs	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Prime - Housing Loans	30.2	29.0	28.0	26.8	26.0	26.0	25.7
Prime - LAP	18.4	19.2	19.5	20.5	21.0	21.0	20.5
Affordable - Housing Loans	31.0	29.9	29.2	28.8	29.0	28.0	28.2
Affordable - LAP	9.0	9.3	9.8	9.7	10.0	10.0	9.7
Construction Finance	11.4	12.6	13.5	14.2	15.0	15.0	15.8

Other Ratios

Key Ratios (Reported)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Effective Interest Rate (EIR)	10.91	10.84	10.77	10.76	10.77	10.62	106
Net Interest Cost / Avg. Loan Book	6.7	6.6	6.7	6.70	6.60	6.6	6.5
Other Income / Avg. Loan Book	0.7	1.0	0.9	1.06	0.87	1.1	1.1
NII (Incl. Fee Income)	5.0	5.2	4.9	5.13	5.03	5.07	5.22
Opex / Avg. Loan Book	3.0	3.0	2.9	2.91	2.59	2.4	2.4
Cost / Income Ratio	60.0	57.4	58.3	56.76	51.47	47.1	45.4
Credit Prov. / Avg. Loan Book	0.1	0.2	0.2	0.36	0.39	0.3	0.3
RoA	1.4	1.5	1.4	1.44	1.59	1.8	2.0
RoE	11.1	11.5	10.7	10.95	12.27	14.0	14.9
Debt to Equity	6.6	6.5	6.7	6.90	6.97	6.9	6.7
Total CAR	16.5	17.3	16.9	16.54	17.31	16.9	18.0
-Tier I	14.9	15.1	15.0	14.30	14.19	14.1	14.6
-Tier II	1.6	2.2	1.9	2.2	3.1	2.8	3.4

Source: Dalal & Broacha Research, Company

Other Subsidiaries' Performance Highlights (Q3 FY26 / 9M FY26)

Asset Management (AMC)

- The Quarterly Average Assets Under Management (QAAUM) was INR 4,81,447 cr, up by 20% yoy. On closing AUM basis, AUM stood at 4,23,653 cr up by 16% on yoy basis.
- Equity QAAUM: Equity QAAUM stood at INR 1,99,442 cr, up by 11.1% on yoy basis (41.4% share in the overall AUM)
- Profitability: PAT stood at INR 270 cr, up by 20.5% yoy & 12% qoq.
- For the month of Dec'25, SIP flows came down to INR 1080 cr, 5.7% down on yoy basis.
- PMS/AIF AUM is growing by leaps & bounds from INR 3853 cr in Q3FY25 to 32,663 cr in Q3FY26, registering whopping growth of 748% yoy. Going forward, fund raising is underway for ABSL India Special Opportunities Fund Series II, ABSL Structured Opportunities Fund II, ABSL Money Manager Fund. While product pipeline includes ABSL India Select Sector Fund.
- Offshore AUM came down by 62% yoy to INR 4847 cr. In this category, fund raising is underway for India ESG Engagement Fund (IFSC), ABSL Flexi Cap Fund (IFSC) and ABSL Global Bluechip Fund (IFSC).
- Real Estate AUM stands at INR 704 cr . Fund raising underway for Aditya Birla Real Estate Credit Opp. Fund II which is under pipeline
- During the quarter, wholly owner subsidiary was formed ABSLAMC International Pvt. Ltd in the GIFT city
- Received EPFO allocation letter for fixed income mandate. In the process of completing the regulatory formalities and AUM can be onboarded from next quarter.

Life Insurance (Aditya Birla Sun Life Insurance)

- Individual FYP Growth: Life insurance first year individual premium (FYP) for 9MFY26 was INR 3,076 cr, achieving 19% y-o-y growth. Group premium stood at INR 4,349 cr, up by 8% on yoy basis.
- Total premium grew by 14% yoy to INR 15,471 cr.
- Total AUM stood at INR 110,048 cr growing by 13% yoy
- Net VNB Margin: The Net Value of New Business (VNB) margin declined by 380 bps yoy to 14.6%.
- PAT: Profit after tax for Q3 FY26 was INR 35 cr in Q3FY26 vs. INR 50 cr in Q2FY26 & INR 22 cr in Q3FY25.
- Management expects individual first year premiums to grow by 20-25% over the next 3 years time and keep expanding VNB margins above 18% levels

Health Insurance (Aditya Birla Health Insurance)

- GWP Growth: Gross Written Premium (GWP) for 9MFY26 was INR 4956 cr, representing a 41% y-o-y increase. Its market share in the standalone health insurance (SAHI) segment is at 13.8% vs. 12.1% same period last year
- PBT: The business reported loss at PBT levels amounting to INR 145 cr in 9MFY26 vs. INR 195 cr yoy
- Combined Ratio: The combined ratio improved to 108% in H1 FY26 improving from 114% yoy

Concall Highlights – Q3FY26

NBFC

- Credit cost is expected to be ~1.2-1.3% levels
- Current run-rate of credit growth is likely to continue i.e. 24-25% growth
- Opex/AUM is expected to be ~1.9% range
- It expects ROA of current 2.2% to improve to 2.5% in the medium term and to 3% levels over the longer run

HFC

- Advent International announced a deal on February 3, 2026, to acquire a 14.3% stake in Aditya Birla Housing Finance (ABHFL), the housing finance arm of Aditya Birla Capital, for INR 2,750 crore (\$304 million). This values ABHFL at around INR 19,250 crore post-money, with Aditya Birla Capital retaining 85.7% ownership. The deal has valued the HFC at ~2.1x on FY27e ABV (which we had baked in 1.5x earlier).
- The board of AB Capital has approved the deal; while it will further require CCI approval which might come till March 2026
- It is receiving benefits of operating leverage – C/I ratio improved from 58% in Q3FY25 to 45.4% in Q3FY26 yoy & opex / avg. loan book from 2.94% to 2.37% yoy respectively.
- Currently, it has 168 branches as on Q3FY26 covering ~85% of the total addressable market
- It is likely to continue the growth momentum & expand market share; achieve ROA of 2-2.2% in next 6-8 quarters vs. 1.96% currently.

ABSL AMC

- SIP book of INR 1080 cr coming from the 40 lakh SIP accounts. Total number of investor portfolio stood at 1.08 cr witnessing 3% yoy growth.
- Received EPFO allocation letter for fixed income mandate. In the process of completing the regulatory formalities and AUM can be onboarded from next quarter.
- On fixed income credit side, it completed the final close of the ABSL India Special Opportunities Fund and received a commitment of INR 500 cr.
- During the quarter, wholly owner subsidiary was formed ABSLAMC International Pvt. Ltd in the GIFT city

Others

- For life insurance segment, it is aiming to achieve net VNB margin of >18% levels

Valuations

Aditya Birla Capital Limited (ABCL), part of the Aditya Birla Group, is a diversified financial services powerhouse with a strong presence across lending and housing finance, asset management, life and non-life insurance, securities broking and asset reconstruction, backed by an experienced management team and a solid AAA credit profile. In the current context, AB Capital's results have been relatively superior versus peers on both growth and asset quality, in our view, and the franchise now appears to be in a sweet spot where it combines healthy, sustainable growth with a balance sheet that has scaled to a meaningful size.

Based on our SOTP valuations, we assign a revised target price of INR 423 per share with BUY rating (valuing NBFC at INR 274 at 1.8x FY28e ABV for ROA of 2.4-2.5%, HFC INR 52 i.e. valuing it 2.1x FY28e ABV, AMC at INR 33 i.e. valuing at current market cap, life insurance at INR 50 per share i.e. valuing at 1.5x FY28e P/EV) giving us upside of 22% from current levels.

SOTP Valuations

Subsidiaries Details	Holding (%)	Valuation Methodology	Holdco Discount	Enterprise Value	Value Per Share of AB Capital	Value Per share post holdco discount	Contribution to TP (%)
Aditya Birla Finance (NBFC)	100%	1.8x FY28 ABV		71,370	274	274	65
Aditya Birla Housing Finance (HFC)	86%	2.1x FY28e ABV	20%	19,666	65	52	12
Aditya Birla Sun Life AMC	45%	Current Mkt Price	20%	23,709	41	33	8
Aditya Birla Sun Life Insurance	51%	1.5x FY28e P/EV	20%	31,873	63	50	12
Aditya Birla Money	74%	At CMP	20%	730	2	2	0
ARC	100%		20%	3,884	15	12	3
Target Price						423	
CMP						346	
Upside (%)						22%	

Source: Dalal & Broacha Research, Company

Quarterly Comparison

Aditya Birla Capital (Standalone)

(Rs.cr)	Q3FY25	Q2FY26	Q3FY26	yoy (%)	qoq (%)
Interest Income	3583.9	3941.7	4115.7	14.8	4.4
Interest Cost	2041.6	2208.2	2321.7	13.7	5.1
NII (incl. fee income)	1542.4	1733.5	1794.0	16.3	3.5
Operating Expenses	553.7	710.3	700.8	26.6	-1.3
Operating Profit	1213.4	1605.6	1413.2	16.5	-12.0
Credit Provisioning	388.2	378.6	423.0	9.0	11.7
PBT	825.2	1227.1	990.2	20.0	-19.3
Tax	211.8	310.8	249.9	18.0	-19.6
PAT	613.4	916.3	740.3	20.7	-19.2
Comprehensive Income	625.06	948.21	740.15	18.4	-21.9

Source: Dalal & Broacha Research, Company

Aditya Birla Capital (Consol)

(Rs.cr)	Q3FY25	Q2FY26	Q3FY26	yoy (%)	qoq (%)
Interest Income	4373.9	5002.7	5286.3	20.9	5.7
Interest Cost	2496.3	2804.2	2981.3	19.4	6.3
NII (incl. fee income)	1877.6	2198.6	2305.1	22.8	4.8
Other Income	5029.6	5606.2	6715.2	33.5	19.8
Total Income	6907.2	7804.8	9020.2	30.6	15.6
Operating Expenses	5552.0	6263.8	7337.1	32.2	17.1
Operating Profit	1355.2	1540.9	1683.1	24.2	9.2
Credit Provisioning	387.8	407.0	451.3	16.4	10.9
PBT	967.5	1133.9	1231.8	27.3	8.6
Share of profit from JVs & Associates	62.4	77.3	90.0	44.1	16.4
Tax	305.5	329.2	355.9	16.5	8.1
PAT	724.4	882.0	965.9	33.3	9.5
Comprehensive Income	687.2	843.7	951.7	38.5	12.8

Financials – Aditya Birla Capital (Standalone) NBFC

Profit & Loss Statement

P&L (Rs cr)	FY24	FY25	FY26e	FY27e	FY28e
Interest income	12,134	14,029	16,981	20,561	24,793
Interest expense	6,469	7,981	9,473	11,163	13,282
NII	5,665	6,048	7,508	9,398	11,511
Non-interest income	1,491	1,524	1,572	1,829	2,131
Operating expenses	2,018	2,197	2,635	3,133	3,728
PPOP	5,138	5,374	6,446	8,094	9,915
Provisions	1,356	1,448	1,630	2,066	2,500
PBT	3,782	3,927	4,816	6,029	7,415
Tax	847	970	1,233	1,543	1,898
PAT	2935	2957	3583	4485	5517
<i>growth (%)</i>	<i>88.9</i>	<i>0.8</i>	<i>21.2</i>	<i>25.2</i>	<i>23.0</i>
Consol PAT (post NCI & C	2921	2903	3528	4431	5462
<i>growth (%)</i>	<i>87.1</i>	<i>-0.6</i>	<i>21.5</i>	<i>25.6</i>	<i>23.3</i>

Balance sheet (Rs. Cr)	FY24	FY25	FY26e	FY27e	FY28e
Share capital	2,600	2,607	2,607	2,697	2,771
Reserves & surplus	19,434	22,587	26,169	33,565	41,507
Net worth	22,034	25,194	28,776	36,262	44,278
Borrowings	92,595	1,11,402	1,36,084	1,61,817	1,92,836
Other Financial Liabilities	2,958	2,306	2,537	2,791	3,070
Non Financial Liabilities	483	398	477	568	676
Total liabilities	1,18,069	1,39,300	1,67,875	2,01,437	2,40,860
Cash & Bank Bal.	1,243	2,377	2,852	3,136	3,166
Investments	11,635	12,829	13,633	14,765	16,099
Loans	1,03,916	1,22,345	1,49,352	1,81,154	2,18,807
Fixed assets	437	439	483	536	595
Receivables	44	44	49	53	59
Other assets	794	1,266	1,506	1,793	2,133
Total assets	1,18,069	1,39,300	1,67,875	2,01,437	2,40,860

Ratios	FY24	FY25e	FY26e	FY27e	FY28e
Growth (%)					
NII	43.5	6.8	24.1	25.2	22.5
PPOP	71.6	4.6	19.9	25.6	22.5
Consol PAT (post OCI)	87.1	-0.6	21.5	25.6	23.3
Loans growth (%)	31.8	17.7	22.1	21.3	20.8
AUMs (Rs.cr)	105639	126350	153971	186757	225575
AUM growth (%)	31.1	19.6	21.9	21.3	20.8
Other Ratios (%)	FY24	FY25e	FY26e	FY27e	FY28e
Cost/Income ratio (%)	28.2	29.0	29.0	27.9	27.3
Branches	412	449	499	549	599
Spread (%)	FY24	FY25e	FY26e	FY27e	FY28e
Yield on funds	12.2	11.0	11.2	11.3	11.3
Cost of funds	7.9	7.8	7.7	7.5	7.5
Spreads	4.9	4.3	4.3	4.5	4.5
Margins	5.7	4.8	4.9	5.2	5.3
Asset quality (%)	FY24	FY25e	FY26e	FY27e	FY28e
Gross NPAs (Rs.cr)	2649	2777	3000	3370	3887
Net NPAs (Rs.cr)	1327	1529	1567	1738	2018
Gross NPAs (%)	2.5	2.3	2.0	1.9	1.8
Net NPAs (%)	1.3	1.2	1.0	1.0	0.9
PCR (%)	49.9	44.9	47.8	48.4	48.1
Slippages (%)	1.4	1.1	1.0	1.0	1.0
Credit Cost (%)	1.5	1.3	1.2	1.3	1.3
Return ratios (%)	FY24	FY25e	FY26e	FY27e	FY28e
RoE	17.5	12.3	13.1	13.6	13.6
RoA	2.9	2.3	2.3	2.4	2.5
Per share (Rs)	FY24	FY25e	FY26e	FY27e	FY28e
FV	10	10	10	10	10
No. of shares	260.0	260.7	260.7	269.7	277.1
EPS	11.2	11.1	13.5	16.4	19.7
BV	84.7	96.6	110.4	134.5	159.8
ABV	79.6	90.8	104.4	128.0	152.5
Other Ratios	FY24	FY25e	FY26e	FY27e	FY28e
C/I Ratio	28.2	29.0	29.0	27.9	27.3
Opex to AuM	1.9	1.7	1.7	1.7	1.7
Opex to Avg. AUM (%)	2.2	1.9	1.9	1.8	1.8
ROA Tree (%)	FY24	FY25e	FY26e	FY27e	FY28e
Interest income	12.0	10.9	11.1	11.1	11.2
Interest expense	6.4	6.2	6.2	6.0	6.0
NII	5.6	4.7	4.9	5.1	5.2
Non-interest income	1.5	1.2	1.0	1.0	1.0
Total Income	7.1	5.9	5.9	6.1	6.2
Operating expenses	2.0	1.7	1.7	1.7	1.7
PPOP	5.1	4.2	4.2	4.4	4.5
Provisions	1.3	1.1	1.1	1.1	1.1
PBT	3.7	3.1	3.1	3.3	3.4
Tax	0.8	0.8	0.8	0.8	0.9
PAT	2.9	2.3	2.3	2.4	2.5

Source: Dalal & Broacha Research, Company

Housing Finance Subsidiary

Quarterly Financials

(Rs.cr)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
NII (incl. fee income)	227	273	290	335	377	420	472
Operating Expenses	136	157	169	190	194	197	214
Operating Profit	91	116	121	145	183	223	258
Credit Provisioning	6	12	11	24	29	28	28
PBT	85	104	110	121	154	195	230
Tax	19	24	26	27	35	44	52
PAT	66	80	84	94	119	151	178
<i>growth (yoy %)</i>	<i>0.0</i>	<i>6.7</i>	<i>7.7</i>	<i>30.6</i>	<i>80.3</i>	<i>88.8</i>	<i>111.9</i>
<i>growth (qoq %)</i>	<i>-8.3</i>	<i>21.2</i>	<i>5.0</i>	<i>11.9</i>	<i>26.6</i>	<i>26.9</i>	<i>17.9</i>

Profit & Loss Statement

Profit & Loss (Rs Cr)	FY24	FY25	FY26e	FY27e	FY28e
Interest income	1,718	2,492	3,716	5,128	7,026
Interest expense	1,014	1,594	2,392	3,217	4,411
NII	704	898	1,324	1,911	2,615
Non-interest income	165	220	323	436	582
Total Income	869	1,118	1,647	2,347	3,197
Operating expenses	443	653	842	1,106	1,455
PPOP	427	465	805	1,241	1,743
Provisions	50	54	111	158	216
PBT	377	411	694	1,083	1,527
Tax	86	96	158	247	348
PAT	291	315	536	836	1,179
<i>growth (%)</i>	<i>20.7</i>	<i>8.4</i>	<i>70.0</i>	<i>56.0</i>	<i>41.0</i>
Total Comprehensive Income of the year	291	315	536	836	1,179
<i>growth (%)</i>	<i>18.1</i>	<i>8.4</i>	<i>70.0</i>	<i>56.0</i>	<i>41.0</i>

Balance Sheet

(Rs.Cr)	FY24	FY25	FY26e	FY27e	FY28e
Share capital	501	635	709	777	844
Reserves & surplus	1,759	3,149	4,610	6,579	8,890
Net worth	2,260	3,783	5,319	7,355	9,734
Borrowings	15,947	26,857	39,600	55,028	74,716
Other Financial Liabilities	226	317	412	535	696
Non-financial liabilities	29	40	56	78	110
Total liabilities	18,461	30,997	45,387	62,997	85,255
Cash	280	508	587	869	1,017
Investments	266	399	518	674	876
Loans	17,678	29,811	43,956	61,081	82,935
Fixed assets	88	104	120	133	146
Other assets	150	175	205	240	281
Total assets	18,461	30,997	45,387	62,997	85,255

Ratios

Ratios	FY24	FY25	FY26e	FY27e	FY28e
Growth (%)					
NII	14	28	47	44	37
PPOP	2	9	73	54	40
PAT	18	8	70	56	41
Advances	30	69	47	39	36
AUM	33.4	46.9	47.5	39.8	33.2
Spread (%)	FY24	FY25e	FY26e	FY27e	FY27e
Advances yields (%)	10.89	10.40	10.00	9.70	9.70
Investment yields (%)	4.3	4.0	3.8	3.7	3.7
Interest earnings yields (%)	10.7	10.2	9.8	9.5	9.5
Cost of funds (%)	7.3	7.5	7.2	6.8	6.8
Margins (%)	4.4	3.7	3.5	3.5	3.5
Asset quality (%)	FY24	FY25e	FY26e	FY27e	FY27e
Gross NPAs (Rs)	325	193	320	480	685
Net NPAs (Rs)	216	106	175	261	369
<i>Gross NPAs (%)</i>	<i>1.8</i>	<i>0.6</i>	<i>0.7</i>	<i>0.8</i>	<i>0.8</i>
Net NPAs (%)	1.2	0.4	0.4	0.4	0.4
PCR (%)	34	45	45	46	46
Credit Cost (%)	0.32	0.23	0.30	0.30	0.30
Return ratios (%)	FY24	FY25e	FY26e	FY27e	FY27e
RoE	13.8	10.4	11.8	13.2	13.8
RoA	1.8	1.3	1.4	1.5	1.6
Per share (Rs)	FY24	FY25e	FY26e	FY27e	FY27e
FV	10	10	10	10	10
No. of shares	50.1	63.5	70.9	77.7	84.4
EPS	5.8	5.0	7.6	10.8	14.0
BV	45	60	75	95	115
ABV	41	58	73	91	111
Other Ratios	FY24	FY25e	FY26e	FY27e	FY27e
C/I Ratio	50.9	58.4	51.1	47.1	45.5
C/I ratio (incl. other income)	50.9	58.4	51.1	47.1	45.5
Opex / AUM (%)	2.4	2.1	1.8	1.7	1.7
ROA Tree (%)	FY24	FY25e	FY26e	FY27e	FY27e
Interest income	10.6	10.1	9.7	9.5	9.5
Interest expense	6.2	6.4	6.3	5.9	6.0
NII	4.3	3.6	3.5	3.5	3.5
Non-interest income	1.0	0.9	0.8	0.8	0.8
Total Income	5.3	4.5	4.3	4.3	4.3
Operating expenses	2.7	2.6	2.2	2.0	2.0
PPOP	2.6	1.9	2.1	2.3	2.4
Provisions	0.3	0.2	0.3	0.3	0.3
PBT	2.3	1.7	1.8	2.0	2.1
Tax	0.5	0.4	0.4	0.5	0.5
PAT	1.8	1.3	1.4	1.5	1.6

Source: Dalal & Broacha Research, Company

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