

HDFC Bank (HDFCB IN)

Q2FY27 Result Update

October 18, 2026

☒ Estimate Change | ☐ Target | ☐ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	BUY		BUY	
Target Price	950		950	
NII (INR. mn)	1,659,614	1,885,283	1,672,356	1,899,909
% Chng.	(0.8)	(0.8)		
Op. Profit (INR mn)	1,383,049	1,569,681	1,390,855	1,578,761
% Chng.	(0.6)	(0.6)		
EPS (INR)	61.1	69.6	61.4	70.1
% Chng.	(0.5)	(0.7)		

Key Data HDBK.BO | HDFCB IN

BSE Code	500180
NSE Code	HDFCBANK
52-W High / Low	INR 1,020 / INR 681
Face Value	1
Sensex / Nifty	74,729 / 23,146
Market Cap	INR 11,226 bn / \$ 118,224 mn
Shares Outstanding	15418.6 mn
3M Avg. Daily Value	INR 22,979.58 mn

Shareholding Pattern (%)

Promoters	-
FII	39.40
MF	31.88
DII	11.75
Public & Others	16.97
Promoters Pledge	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	0.9	(9.9)	(8.5)	(26.8)
Relative	0.4	(7.0)	(4.5)	(18.2)

Key Financials - Standalone

Y/e Mar	FY26	FY27E	FY28E	FY29E
NII (INR mn)	1,286,860	1,423,556	1,659,614	1,885,283
NIM (%)	3.1	3.1	3.2	3.2
Core PPOP (INR mn)	1,013,761	1,139,234	1,330,049	1,516,681
PAT (INR mn)	752,665	816,568	941,658	1,073,043
Core PAT (INR mn)	678,541	764,314	901,378	1,032,763
EPS (INR)	48.9	53.0	61.1	69.6
Gr. (%)	11.1	8.3	15.3	14.0
DPS (INR)	15.5	14.3	16.5	18.8
Yield (%)	2.0	2.0	2.3	2.6
RoAE (%)	14.1	13.8	14.4	14.7
Core RoAE (%)	13.1	13.3	14.1	14.4
RoAA (%)	1.8	1.8	1.8	1.8
Core RoAA (%)	1.6	1.6	1.7	1.8
P/BV (x)	2.1	1.8	1.6	1.5
P/ABV (x)	2.1	1.9	1.7	1.5
PE (x)	15.5	13.8	11.9	10.5
CAR (%)	19.7	19.1	19.1	19.2

Mr. Bagchi's strategy for the bank is the key monitorable

Quick Pointers

- Stable quarter with NII/core PPOP in-line
- Loan growth adjusted for FCNR was lower than ICICIB/AXSB
- NIM has bottomed out; likely to improve from Q3FY27

HDFCB saw a steady quarter as core PPOP was largely in-line. While NII met estimates, higher fees were offset by more provisions (ageing related). Adjusted for FCNR, loan growth at 3.4% QoQ was lower than ICICIB/AXSB. While reported NIM fell by 8bps QoQ to 3.32%, as per our calculations, adjusted for the FCNR impact NIM was flat to positive. As per the bank, NIM has bottomed out and may improve from the next quarter, driven by shift in credit flow towards retail/SME from corporate/home loans and impact of rate hike in Oct'26. Mr. Anup Bagchi's strategy for the bank would be a key monitorable. We keep multiple at 1.9x on Sep'26 core ABV and keep TP at INR 950. Retain 'BUY'.

Stable quarter with core PPOP in-line; slight miss on provisions: NII was largely in-line at INR346.2bn (PLe INR345.4bn). NIM (calc.) was in-line at 3.40% (PLe 3.39%); reported NIM was down 8bps QoQ to 3.32%. Loan/deposit growth, as expected was 16.4%/18.8% YoY. CASA ratio was stable at 31.6% (32.3% in Q1FY27); LDR was flat QoQ at 96%. Other income was a slight miss at INR138.3bn (PLe INR140.6bn) due to others; fee was 2.5% higher at INR112.4bn. Opex at INR189.7bn was 1.2% more due to higher staff cost. Core PPOP at INR268.9bn was largely in-line; PPOP was INR294.8bn. GNPA was 1.11% (PLe 1.13%) with lesser net slippages. Gross slippage was lower at INR61bn; recoveries were INR37bn. Provisions were a drag at INR35.7bn (PLe INR32.6bn). Core PAT was 1.7% below PLe at INR175.6bn; PAT was INR195.1bn.

Loan growth led by RAM; LDR remains high: Loan growth was 5.2% QoQ mainly led by retail (6.6%), SME i.e. BuB (7.7%) and agri (5.9%). BuB growth was driven by disbursals of INR410bn under ECLGS 5.0 that was highest among banks. Corporate growth was 16.4% YoY driven by balanced mix of WC, term loans and project finance. Within retail, there is a consistent pick-up in auto, PL/CC loans. Bank garnered FCNR(B) deposits of INR1.1trn with leveraged portion in overseas loans being INR548bn. Adjusted for same, loan growth at 3.4% was lower than ICICIB and AXSB. LDR remains elevated at 96%, which may constrain loan growth in near term.

NIM likely to recover from the next quarter: As per our calculations, adjusted for FCNR, NIM would have been flat to positive QoQ. Floating rate book is 70% of loans and rate hike of 25bps in Oct'26 will be factored in Dec'26. As per bank, NIM has bottomed out; NIM from next quarter would be supported by impact of rate hike and favorable shift towards retail/MSME lending over corporate and home loans.

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	% Var.	Q2'26A	YoY gr. (%)
NII (INR mn)	3,45,392	3,46,192	0.2	3,15,515	9.7
Margin (%)	3.4	3.4	-	3.5	(10) bps
Core PPOP (INR mn)	2,67,635	2,68,924	0.5	2,40,036	12.0
Core PAT (INR mn)	1,78,661	1,75,589	(1.7)	1,56,493	12.2

Source: Company, PL

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Q2FY27 Concall Highlights

Balance sheet

- The bank disbursed INR 410bn under ECLGS 5.0, highest among banks, thus leveraging opportunities.
- Business banking (largely MSME) grew 28% YoY, supported by ECLGS 5.0, with management expecting sustained momentum alongside retail recovery, Corporate advances grew ~16.5–17% YoY, with a focus on a balanced mix of working capital, term loans and project finance, while maintaining portfolio returns.
- Retail disbursements crossed INR 900bn in Q2 (vs INR 760bn in Q1), balanced across PL, wheels, gold, agri and MSME. Floating rate book is ~70% of the total book. Card issuances were 1.4mn (+19% QoQ).
- Bank indicated that overall PSL achievement is ~50%, with the key challenge being the small and marginal farmer and weaker section sub-targets. Given limited market availability and high acquisition costs, the bank is seeking to bridge the shortfall through both organic origination and market purchases.
- Bank garnered FCNR(B) deposits of INR1.1trn with leveraged portion in overseas loans being INR548bn Branch-driven deposits account for ~80% of total deposits.
- Aim to maintain LCR in the 110–120% range, with a preferred level of ~115% (Currently ~113%).
- Mr. Kaizad Bharucha (Deputy Managing Director) has sought early retirement by 31st Dec'26. Incoming MD & CEO Mr Anup Bagchi said his near-term focus is to engage with regulators, customers, shareholders and other stakeholders for insights, and he will soon present a perspective on growth, margins, quality, and productivity built on disciplined capital deployment.

Profit & loss

- Management expects NIMs to reverse supported by the rate-cycle tailwind and a favourable shift towards retail and MSME lending over corporate and home loans. The 25bps October rate hike will be reflected for only part of Q3FY27 (effectively from Dec'26), offsetting the full-quarter FCNR(B) cost impact, with margins expected to be neutral-to-positive.
- Interest expense increased sequentially primarily due to higher TD accretion and FCNR(B) deposit, which offset the benefit of repricing of existing deposits. Also Relief from AT1 bonds called in August was offset by borrowings raised for leverage.
- Expect headcount to remain broadly stable in the near term, with a gradual shift from backend roles towards frontline and technology. However, sustained growth and digitisation/AI-led investments could drive incremental hiring, with headcount potentially increasing over the next 3–4 years.
- Management said that the draft insurance policy is under consultation, with comments due in November. Key factors to assess include potential improvement in policy persistency, higher participation and volumes driven by lower insurance costs, cost optimisation to address changes in commission structures.

Asset quality

- Slippage improvement is broad-based across portfolios, not driven by shift towards corporate.
- Despite deficient and uneven monsoon, kharif sowing declined marginally by 1.5–2% YoY. Agri GNPA remained broadly stable in Q2FY27 vs Q1FY27, with agricultural loan growth in single digits.

Exhibit 1: Quarterly estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
NII	3,35,340	6.7	3,46,192	9.7	3,60,433	10.5	3,81,591	15.3
Core PPOP	2,51,465	8.4	2,68,924	12.0	2,78,602	13.7	3,01,244	19.0
NIM (%)	3.4	-15.9 bps	3.4	-8.0 bps	3.4	-7.3 bps	3.5	7.6 bps
Core PAT	1,67,660	13.3	1,75,589	12.2	1,86,287	11.8	2,05,215	18.5

Exhibit 2: PAT at INR 195bn due to lower other income and increase in provisions

Financials (Rs m)	Q2FY27	Q2FY26	YoY gr. (%)	Q2FY27E	% Var.	Q1FY27	QoQ gr. (%)
Interest income	8,34,266	7,66,907	8.8	8,12,270	2.7	7,93,628	5.1
Interest Expended	4,88,074	4,51,392	8.1	4,66,878	4.5	4,58,288	6.5
Net interest income	3,46,192	3,15,515	9.7	3,45,392	0.2	3,35,340	3.2
Other income	1,38,310	1,43,500	(3.6)	1,40,623	(1.6)	1,28,216	7.9
-Fee Income	1,12,400	1,04,300	7.8	1,09,623	2.5	98,000	14.7
-Other non interest income	25,910	39,200	(33.9)	31,000	(16.4)	30,216	(14.3)
Total income	3,72,102	3,54,715	4.9	3,76,392	(1.1)	3,65,556	1.8
Operating expenses	1,89,668	1,79,779	5.5	1,87,379	1.2	1,81,875	4.3
-Staff expenses	67,742	64,613	4.8	65,431	3.5	64,148	5.6
-Other expenses	1,21,926	1,15,166	5.9	1,21,948	(0.0)	1,17,727	3.6
Operating profit	2,94,834	2,79,236	5.6	2,98,635	(1.3)	2,81,681	4.7
Core operating profit	2,68,924	2,40,036	12.0	2,67,635	0.5	2,51,465	6.9
Total provisions	35,736	35,005	2.1	32,555	9.8	30,598	16.8
Profit before tax	2,59,098	2,44,231	6.1	2,66,080	(2.6)	2,51,083	3.2
Tax	63,998	57,818	10.7	63,859	0.2	60,486	5.8
Profit after tax	1,95,100	1,86,413	4.7	2,02,221	(3.5)	1,90,597	2.4

Balance sheet (Rs m)

Deposits	3,32,74,489	2,80,17,888	18.8	3,32,75,000	(0.0)	3,17,08,301	4.9
Advances	3,19,55,661	2,74,63,598	16.4	3,19,47,850	0.0	3,03,73,033	5.2

Profitability ratios

YoA – Calc	1.8	1.9	-12.0 bps	8.6	17.5 bps	8.7	6.5 bps
CoF – Calc	14.1	15.1	-102.3 bps	5.3	22.0 bps	5.3	17.0 bps
NIM – Calc	3.4	3.5	-8.0 bps	3.4	0.2 bps	3.4	0.3 bps
RoaA – Calc	8.8	9.0	-23.2 bps	1.9	-6.7 bps	1.8	-0.7 bps
RoaE – Calc	5.5	5.6	-16.7 bps	14.4	-33.9 bps	13.8	31.4 bps

Asset Quality

Gross NPL (Rs mn)	3,58,097	3,42,895	4.4	1,20,083	(1.3)	1,23,573	(4.1)
Net NPL (Rs mn)	1,18,509	1,14,473	3.5	0	-	1,57,886	-
Gross NPL ratio	1.1	1.2	-12.6 bps	1.1	-1.8 bps	1.2	-5.9 bps
Net NPL ratio	0.4	0.4	-4.6 bps	0.4	-0.5 bps	0.4	-3.6 bps
Coverage ratio – Calc	66.9	66.6	29.0 bps	67.0	-9.4 bps	65.5	137.9 bps

Business & Other Ratios

Low-cost deposit mix	31.6	33.9	-226.2 bps	31.6	-0.3 bps	32.3	-72.3 bps
Cost-income ratio	39.1	39.2	-1.9 bps	38.6	59.3 bps	39.2	-8.8 bps
Non int. inc / total income	28.5	31.3	-271.6 bps	28.9	-38.7 bps	27.7	88.8 bps
Credit deposit ratio	96.0	98.0	-198.5 bps	96.0	2.5 bps	95.8	24.8 bps
CAR	18.9	20.0	-110.0 bps			19.6	-70.0 bps
Tier-I	17.2	17.9	-70.0 bps			17.8	-60.0 bps

Source: Company, PL

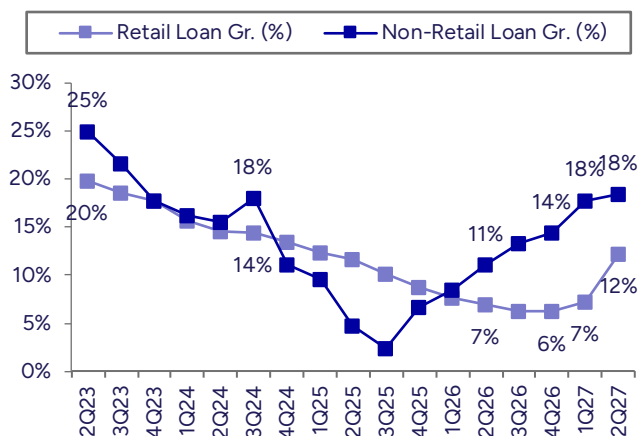
Exhibit 3: CRB (+7.7% QoQ) and Retail (6.6% QoQ) were key growth drivers

Loan Composition (Rs mn)	Q2FY27	Q2FY26	YoY gr. (%)	Q1FY27	QoQ gr. (%)
Corporate	86,35,000	74,16,000	16.4	84,01,000	2.8
CRB	70,61,000	57,18,000	23.5	65,56,000	7.7
Agri	13,14,000	12,34,000	6.5	12,41,000	5.9
Retail	1,60,63,000	1,43,20,000	12.2	1,50,75,000	6.6
PL	23,02,000	20,63,000	11.6	22,24,000	3.5
Auto	16,88,000	15,15,000	11.4	16,19,000	4.3
Mortgages	92,05,000	85,65,000	7.5	90,05,000	2.2
CC	11,85,000	11,48,000	3.2	11,61,000	2.1
2Wheeler	1,25,000	1,25,000	0.0	1,18,000	5.9
Gold	2,79,000	2,01,000	38.8	2,55,000	9.4
Other Retail	12,79,000	7,03,000	81.9	6,93,000	84.6
Total Advances	3,21,94,000	2,76,91,000	16.3	3,06,09,000	5.2

Source: Company, PL

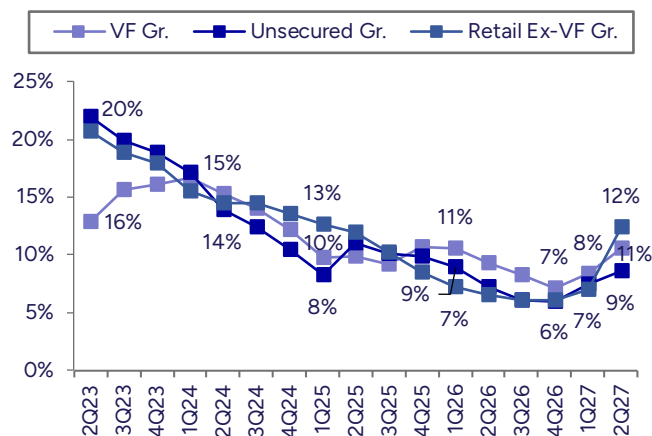
*Corporate incl HDFCL Non-In

Exhibit 4: Retail book growth at 12% YoY



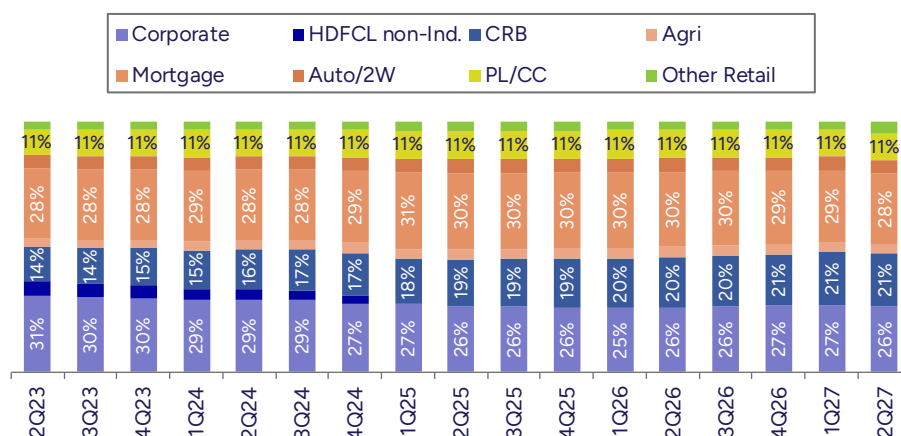
Source: Company, PL

Exhibit 5: Vehicle Finance growth increased to 11% YoY



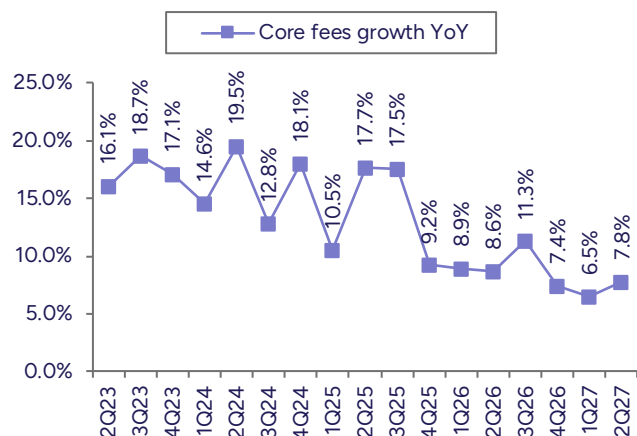
Source: Company, PL

Exhibit 6: Product-wise advances as percentage of total loans



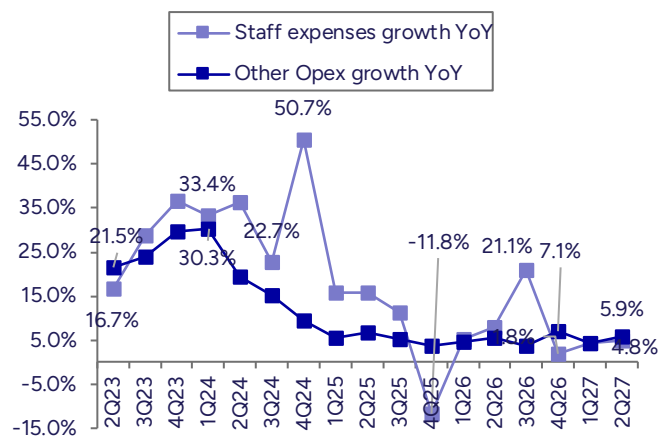
Source: Company, PL

Exhibit 7: Fee income growth increased to 7.8% YoY



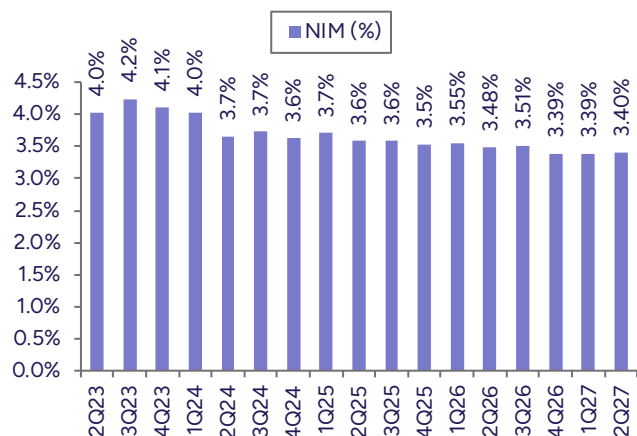
Source: Company, PL

Exhibit 8: Staff cost increased to 4.8% YoY



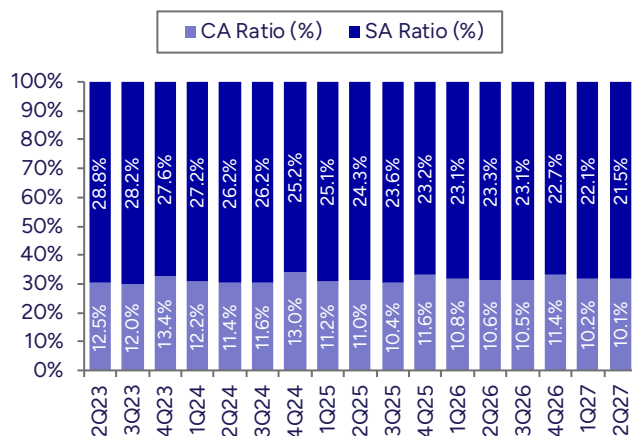
Source: Company, PL

Exhibit 9: NIM stable at 3.40%



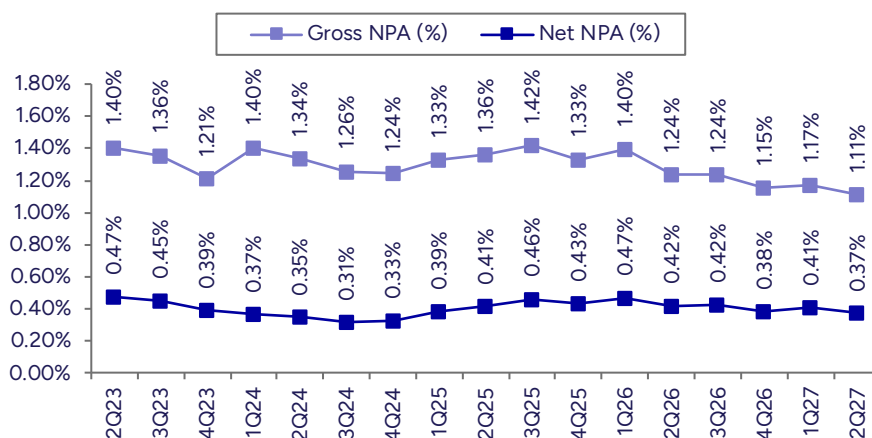
Source: Company, PL

Exhibit 10: CASA declined sequentially to 31.6%



Source: Company, PL

Exhibit 11: GNPA/NNPA at 1.11%/0.37%. PCR increased to 66.9%



Source: Company, PL

Exhibit 12: Return ratios to range between 13.8-14.7%

RoA decomposition	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Interest income	6.9	7.4	8.1	8.0	7.4	7.3	7.5	7.5
Interest expenses	3.3	3.8	4.7	4.7	4.3	4.2	4.3	4.3
Net interest income	3.6	3.6	3.4	3.3	3.1	3.1	3.2	3.2
Other Inc. from operations	1.2	1.1	1.5	1.2	1.5	1.2	1.1	1.1
Total income	4.8	4.8	4.8	4.5	4.6	4.3	4.3	4.3
Employee expenses	0.5	0.6	0.7	0.6	0.6	0.6	0.6	0.5
Other operating expenses	1.1	1.2	1.2	1.2	1.1	1.1	1.1	1.1
Operating profit	3.2	3.0	2.9	2.7	2.9	2.6	2.6	2.7
Tax	0.5	0.5	0.3	0.6	0.5	0.6	0.6	0.6
Loan loss provisions	0.7	0.5	0.7	0.3	0.6	0.3	0.3	0.3
RoAA	1.9	1.9	1.9	1.8	1.8	1.8	1.8	1.8
RoAE	14.9	15.8	15.6	14.3	14.1	13.8	14.4	14.7

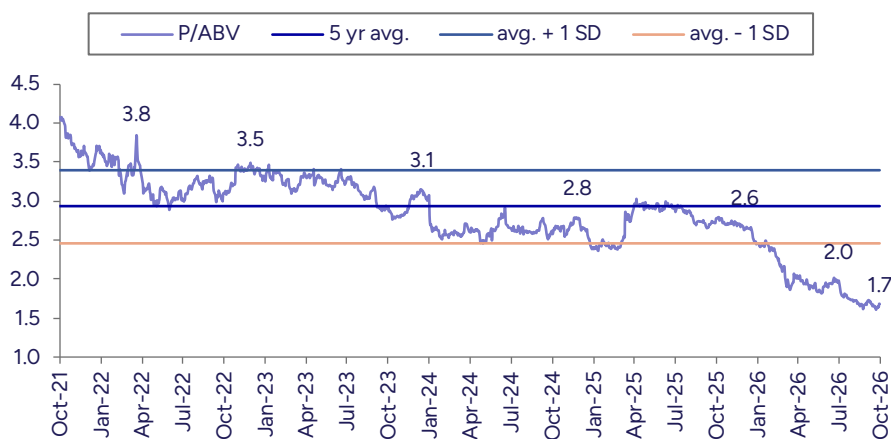
Source: Company, PL

Exhibit 13: SOTP valuation of Rs 949, core bank valued at 1.9x on Sep'28 Core ABV

Particulars	Stake	Rs per share	% of total	Valuation (x)	Basis
Standalone	100.00%	866	89.9	1.9	x Sep'28 core ABV
HDFC Life	50.53%	4	0.4	1.0	Mkt Cap
HDFC AMC	52.29%	45	4.7	33.0	Sep'28E core PAT
HDB Financials	74.08%	21	2.1	1.0	Mkt Cap
HDFC Ergo	50.24%	11	1.1	40.0	of Mar'26 PAT
HSL	93.93%	17	1.8	30.0	of Mar'26 PAT
Total		964	100.0		
Holdco disc. (15%)		15			
Target Price		949			

Source: Company, PL

Exhibit 14: HDFCB 1-year forward P/ABV trades at 1.7x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Income Statement (INR m)								
Interest earned	760,069	767,601	774,702	766,907	767,512	766,100	793,628	834,266
Interest expended	453,536	453,943	460,322	451,392	441,362	435,285	458,288	488,074
Net Interest Income	306,533	313,658	314,380	315,515	326,150	330,816	335,340	346,192
Other income	114,536	120,279	217,298	143,500	132,538	131,989	128,216	138,310
Fees	81,800	85,300	76,000	88,400	92,300	92,200	85,000	96,900
Total Income	421,068	433,937	531,678	459,015	458,688	462,805	463,556	484,502
Operating Expenses	171,064	175,570	174,338	179,779	187,710	184,775	181,875	189,668
Employees	59,504	61,159	61,580	64,613	72,032	62,277	64,148	67,742
Others	111,560	114,410	112,759	115,166	115,679	122,498	117,727	121,926
Operating profit	250,004	265,367	357,340	279,236	270,978	278,029	281,681	294,834
Core PPOp	231,268	237,788	232,041	240,036	245,040	253,140	251,465	268,924
Provisions	31,539	31,931	144,416	35,005	28,379	26,096	30,598	35,736
Profit before tax	218,466	233,437	212,923	244,231	242,599	251,934	251,083	259,098
Taxes	51,111	57,275	31,371	57,818	56,062	59,723	60,486	63,998
Net Profit	167,355	176,161	181,552	186,413	186,538	192,211	190,597	195,100
Core PAT	153,003	155,349	147,915	156,493	166,593	173,222	167,660	175,589
Balance Sheet (INR m)								
Share capital	15,297	15,304	15,336	15,364	15,385	15,393	15,401	15,419
Reserves & surplus	4,814,912	4,998,942	5,211,066	5,208,722	5,409,165	5,613,616	5,815,530	5,827,124
Deposits	25,637,950	27,147,149	27,640,890	28,017,888	28,600,546	31,052,505	31,708,301	33,274,489
Borrowings	5,702,398	5,479,309	5,100,562	5,095,971	5,211,480	4,893,946	4,618,127	4,890,175
Other liabilities	1,419,088	1,461,285	1,572,913	1,692,140	1,653,298	2,073,403	1,817,254	1,770,390
Total liabilities	37,589,645	39,101,989	39,540,767	40,030,084	40,889,873	43,648,863	43,974,613	45,777,598
Cash & bank	2,201,709	2,395,707	2,025,953	1,651,423	1,751,962	2,984,664	2,235,644	2,503,741
Investments	8,118,535	8,363,597	8,966,635	8,743,213	8,782,567	8,842,015	9,194,134	9,239,971
Advances	25,182,482	26,196,086	26,284,342	27,463,598	28,214,465	29,371,663	30,373,033	31,955,661
Fixed assets	128,725	136,554	137,847	138,541	142,995	147,246	145,664	146,453
Other assets	1,958,195	2,010,046	2,125,990	2,033,310	1,997,885	2,303,276	2,026,138	1,931,773
Total assets	37,589,645	39,101,989	39,540,767	40,030,084	40,889,873	43,648,863	43,974,613	45,777,598
Balance sheet ratios (%)								
Loan growth	3.0	5.4	6.7	10.1	12.0	12.1	15.6	16.4
Deposit growth	15.8	14.1	16.2	12.1	11.6	14.4	14.7	18.8
LDR	98.2	96.5	95.1	98.0	98.7	94.6	95.8	96.0
CASA	34.0	34.8	33.9	33.9	33.6	34.1	32.3	31.6
Capital Adequacy (%)								
CET-1	17.5	17.2	17.4	17.5	17.4	17.3	17.4	17.1
Tier-2	2.0	1.9	2.1	2.1	2.1	2.0	1.8	1.7
CRAR	20.0	19.6	19.9	20.0	19.9	19.7	19.6	18.9
Profitability ratios (%)								
Yield on assets	8.7	8.5	8.3	8.2	8.0	7.7	7.6	7.8
Cost of funds	5.8	5.6	5.9	5.7	5.5	5.2	5.3	5.3
NIM	3.6	3.5	3.6	3.5	3.5	3.4	3.4	3.4
Fees/Assets	1.0	1.0	1.0	1.0	1.0	1.0	0.9	1.0
Cost/Income	40.6	40.5	32.8	39.2	40.9	39.9	39.2	39.1
Opex/avg assets	0.5	0.5	0.4	0.5	0.5	0.4	0.4	0.4
RoA	1.8	1.9	1.9	1.9	1.9	1.9	1.8	1.8
Core RoA	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6
RoE	14.8	15.0	14.8	15.1	14.6	14.4	13.8	14.1
Core RoE	13.2	12.9	12.2	12.1	12.2	12.1	12.3	11.6
EPS (INR)	43.8	46.0	47.4	48.5	48.5	49.9	49.5	50.6
BVPS (INR)	315.8	327.6	340.8	340.0	352.6	365.7	378.6	378.9
ABVPS (INR)	308.2	320.2	332.8	332.6	344.8	358.4	370.6	371.2
Asset quality ratios (%)								
GNPA	1.4	1.3	1.4	1.2	1.2	1.2	1.2	1.1
NNPA	0.5	0.4	0.5	0.4	0.4	0.4	0.4	0.4
Provision coverage	67.8	67.9	66.9	66.6	65.9	67.2	65.5	66.9
Provision costs	0.5	0.5	2.3	0.5	0.4	0.4	0.4	0.5
Slippage	1.4	1.2	1.4	1.1	1.3	0.9	1.1	0.8
NNPA/Equity	2.4	2.3	2.3	2.2	2.2	2.0	2.1	2.0

Source: Company, PL

Financials

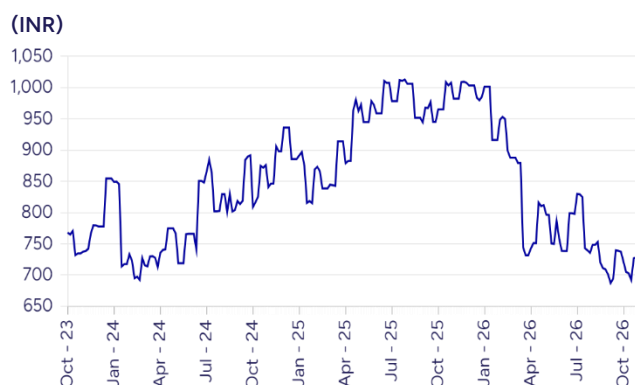
Y/e Mar	FY26	FY27E	FY28E	FY29E
Income Statement (INR m)				
Interest earned	3,075,221	3,384,250	3,907,626	4,426,644
Interest expended	1,788,360	1,960,695	2,248,012	2,541,361
Net Interest Income	1,286,860	1,423,556	1,659,614	1,885,283
Other income	625,326	551,081	577,605	621,542
Fees	413,359	443,155	485,605	529,542
Net Total Income	1,912,186	1,974,637	2,237,219	2,506,824
Operating Expenses	726,603	766,477	854,170	937,143
Employees	260,502	270,097	290,496	309,539
Others	466,101.8	496,380.6	563,673.7	627,604.5
Operating profit	1,185,583	1,208,160	1,383,049	1,569,681
Core PPOP	1,013,761	1,139,234	1,330,049	1,516,681
Provisions	227,943	131,044	144,025	157,782
Profit before tax	957,639	1,077,116	1,239,024	1,411,899
Taxes	204,974	260,549	297,366	338,856
Net Profit	752,665	816,568	941,658	1,073,043
Core PAT	678,541	764,314	901,378	1,032,763
Growth Ratios (%)				
Loans	12.1	16.4	13.0	12.0
Deposits	14.4	17.8	13.7	12.6
NII	4.9	10.6	16.6	13.6
Fees	12.3	7.2	9.6	9.0
Opex	6.6	5.5	11.4	9.7
Core PPOP	6.6	12.4	16.7	14.0
Provisions	95.7	(42.5)	9.9	9.6
Core PAT	6.8	12.6	17.9	14.6
Profitability Ratios (%)				
Yield on IEA	7.9	7.7	7.8	7.9
Cost of funds	5.2	5.1	5.1	5.2
NIM	3.1	3.1	3.2	3.2
Cost/Income	38.0	38.8	38.2	37.4
Provision cost	0.8	0.4	0.4	0.4
Tax rate	21.4	24.2	24.0	24.0
Core RoA	1.6	1.6	1.7	1.8
Core RoE	13.1	13.3	14.1	14.4
Du-pont (%)				
Interest income	7.4	7.3	7.5	7.5
Interest expenses	4.3	4.2	4.3	4.3
NII	3.1	3.1	3.2	3.2
Other income	1.5	1.2	1.1	1.1
Fees/avg assets	1.0	1.0	0.9	0.9
Total income	4.6	4.3	4.3	4.3
Opex/avg assets	1.8	1.7	1.6	1.6
Staff cost	0.6	0.6	0.6	0.5
Other opex	1.1	1.1	1.1	1.1
PPOP	2.9	2.6	2.6	2.7
Core PPOP/avg assets	2.5	2.5	2.5	2.6
Provisions	0.6	0.3	0.3	0.3
PBT	2.3	2.3	2.4	2.4
Tax	0.5	0.6	0.6	0.6
RoA	1.8	1.8	1.8	1.8
RoE	14.1	13.8	14.4	14.7

Source: Company, PL

Y/e Mar	FY26	FY27E	FY28E	FY29E
Balance Sheet (INR m)				
Equity	5,629,009	6,163,177	6,884,362	7,736,932
Share capital	15,393	15,419	15,419	15,419
Deposits	31,052,505	36,575,048	41,569,003	46,792,989
Borrowings	4,893,946	4,517,267	4,836,786	5,030,877
Other Liabilities	2,073,403	1,878,207	2,113,939	2,379,257
Total liabilities	43,648,863	49,133,698	55,404,089	61,940,054
Cash with RBI	2,006,794	1,822,152	1,972,356	2,134,942
Balance with banks	977,870	798,163	898,340	1,011,089
Investments	8,842,015	10,156,501	11,543,269	12,993,914
Advances	29,371,663	34,197,670	38,659,173	43,283,515
Fixed assets	147,246	149,396	155,462	161,775
Other assets	2,303,276	2,009,816	2,175,490	2,354,820
Total assets	43,648,863	49,133,698	55,404,089	61,940,054
Balance sheet ratios (%)				
LDR	94.6	93.5	93.0	92.5
CASA	34.0	31.1	30.4	30.1
Inv/NDTL	23.3	23.6	23.8	24.0
Borr/NDTL	12.9	10.5	10.0	9.3
Assets/equity (x)	7.8	8.0	8.0	8.0
RWA/Loans	101.3	96.5	94.8	94.4
RWA/Total assets	68.1	67.2	66.1	66.0
Capital ratios (%)				
CRAR	19.7	19.1	19.1	19.2
CET-1	17.3	16.9	17.1	17.2
AT-1	0.4	0.5	0.5	0.5
Tier-2	2.0	1.6	1.6	1.5
Asset quality ratios (%)				
GNPA (INR mn)	340,612	378,712	413,884	460,758
NNPA (INR mn)	111,695	117,591	124,350	138,412
GNPA	1.2	1.1	1.1	1.1
NNPA	0.4	0.3	0.3	0.3
PCR	67.2	68.9	70.0	70.0
Slippage	1.2	1.0	0.9	0.8
NNPA / Equity	2.0	1.9	1.8	1.8
Per share (INR)				
EPS	48.9	53.0	61.1	69.6
DPS	15.5	14.3	16.5	18.8
BVPS	365.7	399.7	446.5	501.8
ABVPS	358.4	392.1	438.4	492.8
Core BVPS	357.0	391.1	437.8	493.1
Core ABVPS	349.8	383.4	429.8	484.2
Valuation (x)				
Price (INR)	758.1	728.9	728.9	728.9
P/E	15.5	13.8	11.9	10.5
P/BV	2.1	1.8	1.6	1.5
P/ABV	2.1	1.9	1.7	1.5
P/core BV	1.8	1.7	1.5	1.3
P/core ABV	1.8	1.7	1.5	1.3

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Oct-26	BUY	950	711
2	02-Oct-26	BUY	950	721
3	31-Aug-26	Buy	950	720
4	19-Jul-26	BUY	1040	820
5	07-Jul-26	BUY	1100	829
6	20-Apr-26	Buy	1100	800
7	10-Apr-26	BUY	1150	798
8	19-Feb-26	BUY	1150	924
9	18-Jan-26	BUY	1150	931
10	08-Jan-26	BUY	1150	949

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Aditya Birla Sun Life AMC	BUY	1200	1010
2	Axis Bank	BUY	1550	1248
3	Bank of Baroda	Accumulate	280	233
4	Canara Bank	BUY	160	125
5	Canara Robeco Asset Management Company	HOLD	285	225
6	City Union Bank	BUY	250	224
7	DCB Bank	BUY	215	201
8	Federal Bank	BUY	400	320
9	HDFC Asset Management Company	BUY	2850	2352
10	HDFC Bank	BUY	950	711
11	ICICI Bank	BUY	1850	1343
12	ICICI Prudential Asset Management Company	BUY	3420	2969
13	Indian Bank	BUY	1000	835
14	IndusInd Bank	Accumulate	1150	906
15	Karur Vysya Bank	BUY	380	346
16	Kotak Mahindra Bank	BUY	500	432
17	Nippon Life India Asset Management	BUY	1250	1074
18	Prudent Corporate Advisory Services	Accumulate	3175	3200
19	State Bank of India	BUY	1200	959
20	Union Bank of India	Accumulate	190	168
21	UTI Asset Management Company	HOLD	975	888

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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