PL Capital PRABHUDAS LILLADHER

Q1FY27 Result Update

HDFC Bank (HDFCB IN)

July 19, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	1,040		1,100	
NII (INR. mn)	1,449,453	1,680,162	1,483,550	1,704,934
% Chng.	*(2.3)*	*(1.5)*		
Op. Profit (INR mn)	1,254,172	1,424,183	1,241,118	1,431,387
% Chng.	*1.1*	*(0.5)*		
EPS (INR)	55.0	62.2	54.3	62.6
% Chng.	*1.3*	*(0.6)*		

Key Data

Key Data	HDBK.BO | HDFCB IN
BSE Code	500180
NSE Code	HDFCBANK
52-W High / Low	INR 1,020 / INR 726
Face Value	1
Sensex / Nifty	78,151 / 24,334
Market Cap	INR 12,623 bn / $ 131,106 mn
Shares Outstanding	15401.33 mn
3M Avg. Daily Value	INR 30,513.46 mn

Shareholding Pattern (%)

Promoters	-
FIIs	41.83
Mutual Funds	30.62
Domestic Institutions	11.30
Public & Others	16.25
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	4.1	2.5	(12.0)	(17.3)
Relative	2.8	2.9	(5.9)	(12.9)

Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
NII (INR mn)	1,226,701	1,286,860	1,449,453	1,680,162
NIM (%)	*3.3*	*3.1*	*3.1*	*3.2*
Core PPOP (INR mn)	950,978	1,013,761	1,169,956	1,371,183
PAT (INR mn)	673,474	752,665	848,585	957,967
Core PAT (INR mn)	635,189	678,541	784,598	917,687
EPS (INR)	44.0	48.9	55.1	62.2
Gr. (%)	*4.6*	*11.1*	*12.7*	*12.9*
DPS (INR)	11.0	16.0	14.9	16.8
Yield (%)	*1.3*	*2.0*	*1.8*	*2.0*
RoAE (%)	*14.3*	*14.1*	*14.2*	*14.3*
Core RoAE (%)	*13.9*	*13.1*	*13.4*	*14.0*
RoAA (%)	*1.8*	*1.8*	*1.8*	*1.9*
Core RoAA (%)	*1.7*	*1.6*	*1.7*	*1.8*
P/BV (x)	2.5	2.1	2.0	1.8
P/ABV (x)	2.6	2.1	2.0	1.8
PE (x)	18.9	15.5	14.9	13.2
CAR (%)	*19.6*	*19.7*	*19.4*	*19.5*

Slower recovery in quality of core revenue

Quick Pointers

- Soft quarter due to lower core PPoP led by miss on NII/fee
- Corporate/SME growth over last 4 quarters has been strong
- We lower NIM for FY27/28E by 7/3bps to 3.3%/3.4%

HDFCB saw a soft quarter as core PPoP missed PLe by 1.6% due to lower NII and fees. Beat on core PAT was driven by better opex and asset quality. Reported NIM trajectory has been sub-par over last 4 quarters due to faster corporate growth and fall in retail share YoY from 53% to 49%. This has led to faster fall in loan yields despite 50bps YoY reduction in cost of funds. We trim NIM for FY27/28E by avg. 7/3bps. Reducing opex to assets and benign asset quality remain a silver lining; bank expects further gain from productivity led by digital transformation while ECL impact may not be material. We tweak multiple to 2.1x from 2.2x. and trim TP to INR 1,040 from INR 1,100. Retain 'BUY'.

Soft quarter; Miss on NII/fees offset by better opex and asset quality: NII was a 1.5% miss at Rs335.3bn (PLe Rs340.3bn) as NIM (calc.) was 4bps lesser at 3.39%; reported NIM was down 13bps QoQ to 3.4%. Loan/deposit growth was largely in-line at 15.6%/14.7% YoY. Avg. CASA was up 65bps QoQ to 30.1%. LDR increased to 95.8% (94.6% in Q4FY26). Other income was higher at Rs30.2bn (PLe Rs23bn) due to dividend and others; fee was a 5.9% miss to Rs98bn. Opex at Rs181.9bn was 3.7% lower due to other opex. Core PPoP at Rs251.5bn was 1.6% below PLe; PPoP was Rs281.7bn. Asset quality was better; GNPA was lower at 1.17% (PLe 1.19%) due to lesser net slippages. Provisions were lower at Rs30.6bn (PLe Rs35.9bn). Core PAT was largely in-line at Rs167.7bn while PAT was Rs190.6bn.

Deposit growth was strong QoQ due to seasonality: Loan growth was 3.4% QoQ mainly led by corporate (3.6%) and small/mid-market (3.8%) while retail growth was 1.5%. INR 140bn has been disbursed under ECLGS as of 30th Jun'26. Retail loan share (52%) is targeted to move back toward ~60% over time. Rise in wholesale TD share from 17% to 20% in Q1'27 was led by slowdown in growth of household deposits. On FCNR(B), most of Jun'26 was spent on approvals; ramp-up is likely in Jul-Sep'26. Higher cost e-HDFC bonds of INR 450bn would mature by FY28 which may be refinanced by RTD at 100-125 bps cost advantage (bonds 7%+ vs RTD 6%).

We trim NIM for FY27; opex benefit to continue: Cost of funds is the main NIM lever, potential benefit may be 40-50bps that is contingent on reduced volatility in system liquidity. As per the bank, productivity gains from digital transformation may continue leading to improved opex efficiency. On ECL, incremental impact if any (may not be material), would be cushioned by contingent provisions.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
NII (INR mn)	3,40,348	3,35,340	*-1.5*	3,14,380	*6.7*
Margin (%)	*3.43*	*3.39*	*-4 bps*	*3.55*	*-16 bps*
Core PPoP (INR mn)	2,55,536	2,51,465	*-1.6*	2,32,041	*8.4*
Core PAT (INR mn)	1,66,908	1,67,660	*0.5*	1,47,915	*13.3*

Source: Company, PL

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Q1FY27 Concall Highlights

Balance sheet

- Advances momentum better than historical Q1 trends, Bank continues to gain market share on both incremental and stock basis.
- ECLGS 5.0 scheme: participated actively, INR 140bn disbursed as of 30th June 2026, among the highest among participating banks; seen as a growth lever for mid-market/MSME.
- Retail mix in loan book (currently 52%) targeted to move toward ~60% over time.
- Fall in CASA and rise in wholesale deposit share from 17% to 20% in Q1'27 was tactical, not structural – led by slowdown in household deposit growth. Long-term aspiration remains to trend back toward pre-merger CASA levels (38-40%), though normalization is expected over a multi-year horizon, not quarter to quarter.
- FCNR(B) swap scheme: Bulk of June month was spent on approvals (internal and with counterparty banks); ramp-up expected in Jul-Sep'26.
- Only 14% of customers currently hold a TD with the bank, which is a large untapped cross-sell opportunity.
- Borrowings (11% of liabilities) expected to moderate toward industry norms helped by INR 400-500bn of bonds maturing over the next couple of years, which can be refinanced via RTD at a 100-125 bps cost advantage vs current bond costs (~7%+ vs retail TD ~6%).
- Reappointment of the CEO is still under review by the NRC, bank will make the necessary announcements.

Profit & loss

- Corporate spreads remain thin due to intense competition; bank is selective and pushing a more holistic primary-relationship approach (cash management, capital markets etc.) rather than competing purely on pricing, which is weighing on wholesale yields.
- Cost of funds remains the biggest margin lever, potential benefit may be 40-50bps, but it is contingent on system liquidity stabilizing; volatility in liquidity needs to narrow before deposit costs broadly ease.
- Management expects productivity gains from digital transformation, process re-engineering and GenAI initiatives to improve operating efficiency over the coming quarters.

Asset quality

- On ECL, current reserves are adequate for stage-3; some increase is expected in stage 1/2 provisioning due to regulatory floors (1%/5% floor for stage-1/2 unsecured vs current ~40 bps std. asset provisioning), but incremental credit-cost impact (may not be material) if any, may be cushioned by contingent provisions.
- Mgmt. flagged El-Nino related weather disruptions and West Asia conflict as risks to monitor; full impact of El Nino would typically play out in Q3 but no stress is visible yet. Economy has remained resilient so far.
- PCR decline has declined to 66% now from 71% in FY19 as share of secured but lower provisioned agri book within GNPA has risen. However, ex-agri coverage is broadly stable at 70% (historically ~71%).

Exhibit 1: Quarterly estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27E	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
NII	3,35,340	6.7	3,55,565	12.7	3,70,637	13.6	3,87,911	17.3
Core PPoP	2,51,465	8.4	2,81,208	17.2	2,88,750	17.8	3,09,533	22.3
NIM (%)	3.4	-20.8 bps	3.5	1.0 bps	3.6	6.6 bps	3.5	14.6 bps
Core PAT	1,67,660	13.3	1,86,582	19.2	1,92,490	15.5	2,08,236	20.2

Exhibit 2: PAT at INR 191bn due to lower operating expenses

Financials (Rs m)	Q1FY27	Q1FY26	YoY gr. (%)	Q1FY27E	% Var.	Q4FY26	QoQ gr (%)
Interest income	7,93,628	7,74,702	2.4	7,81,097	1.6	7,66,100	3.6
Interest Expended	4,58,288	4,60,322	(0.4)	4,40,748	4.0	4,35,285	5.3
Net interest income	**3,35,340**	**3,14,380**	**6.7**	**3,40,348**	**(1.5)**	**3,30,816**	**1.4**
Other income	1,28,216	2,17,298	(41.0)	1,27,092	0.9	1,31,989	(2.9)
-Fee Income	98,000	92,000	6.5	1,04,092	(5.9)	1,07,100	(8.5)
-Other non interest income	30,216	1,25,298	(75.9)	23,000	31.4	24,889	21.4
Total income	**3,65,556**	**4,39,678**	**(16.9)**	**3,63,348**	**0.6**	**3,55,705**	**2.8**
Operating expenses	1,81,875	1,74,338	4.3	1,88,904	(3.7)	1,84,775	(1.6)
-Staff expenses	64,148	61,580	4.2	64,768	(1.0)	62,277	3.0
-Other expenses	1,17,727	1,12,759	4.4	1,24,136	(5.2)	1,22,498	(3.9)
Operating profit	**2,81,681**	**3,57,340**	**(21.2)**	**2,78,536**	**1.1**	**2,78,029**	**1.3**
Core operating profit	**2,51,465**	**2,32,041**	**8.4**	**2,55,536**	**(1.6)**	**2,53,140**	**(0.7)**
Total provisions	30,598	1,44,416	(78.8)	35,920	(14.8)	26,096	17.3
Profit before tax	**2,51,083**	**2,12,923**	**17.9**	**2,42,616**	**3.5**	**2,51,934**	**(0.3)**
Tax	60,486	31,371	92.8	58,228	3.9	59,723	1.3
Profit after tax	**1,90,597**	**1,81,552**	**5.0**	**1,84,388**	**3.4**	**1,92,211**	**(0.8)**
Balance sheet (Rs m)							
Deposits	3,17,08,301	2,76,40,890	14.7	3,17,05,000	0.0	3,10,52,505	2.1
Advances	3,03,73,033	2,62,84,342	15.6	3,03,73,871	(0.0)	2,93,71,663	3.4
Profitability ratios							
YoA – Calc	8.7	9.5	(71)	8.6	11	8.7	6
CoF – Calc	5.3	5.9	(58)	5.1	23	5.1	23
NIM – Calc	3.4	3.6	(16)	3.4	(4)	3.4	1
RoaA – Calc	1.8	1.9	(11)	1.8	7	1.9	(3)
RoaE - Calc	13.8	14.8	(101)	13.4	36	14.4	(66)
Asset Quality							
Gross NPL (Rs mn)	3,58,464	3,70,408	(3.2)	3,64,726	(1.7)	3,40,612	5.2
Net NPL (Rs mn)	1,23,573	1,22,760	0.7	1,16,712	5.9	1,11,695	10.6
Gross NPL ratio	1.2	1.4	(22)	1.2	(2)	1.2	2
Net NPL ratio	0.4	0.5	(6)	0.4	2	0.4	3
Coverage ratio – Calc	65.5	66.9	(133)	68.0	(247)	67.2	(168)
Business & Other Ratios							
Low-cost deposit mix	32.3	33.9	(156)	32.3	(1)	34.1	(181)
Cost-income ratio	39.2	32.8	644	40.4	(118)	39.9	(69)
Non int. inc / total income	27.7	40.9	(1,321)	27.2	47	28.5	(86)
Credit deposit ratio	95.8	95.1	70	95.8	(1)	94.6	120
CAR	19.6	19.9	(30)	-	-	19.7	(10)
Tier-I	17.8	17.8	-	-	-	17.7	10

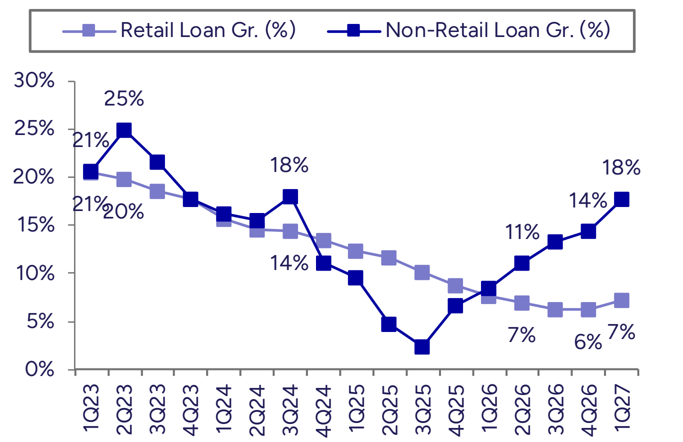
Source: Company, PL

Exhibit 3: CRB (+3.8% QoQ) and Corporate (3.6% QoQ) were key growth drivers

Loan Composition (Rs mn)	Q1FY27	Q1FY26	YoY gr. (%)	Q4FY26	QoQ gr. (%)
Corporate	84,01,000	70,82,000	18.6	81,08,000	3.6
CRB	65,56,000	55,22,000	18.7	63,16,000	3.8
Agri	12,41,000	11,53,000	7.6	13,04,000	(4.8)
Retail	1,50,75,000	1,40,62,000	7.2	1,48,45,000	1.5
PL	22,24,000	20,16,000	10.3	21,78,000	2.1
Auto	16,19,000	14,83,000	9.2	15,75,000	2.8
Mortgages	90,05,000	84,28,000	6.8	88,87,000	1.3
CC	11,61,000	11,35,000	2.3	11,38,000	2.0
2Wheelers	1,18,000	1,20,000	(1.7)	1,19,000	(0.8)
Gold	2,55,000	1,89,000	34.9	2,37,000	7.6
Other Retail	6,93,000	6,91,000	0.3	7,11,000	(2.5)
Total Advances	3,06,09,000	2,65,31,000	15.4	2,96,00,000	3.4

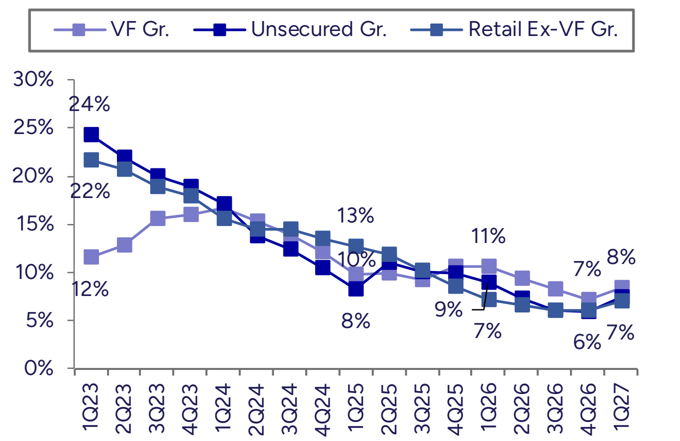
Source: Company, PL **Corporate incl HDFCL Non-In*

Exhibit 4: Retail book growth at 7% YoY



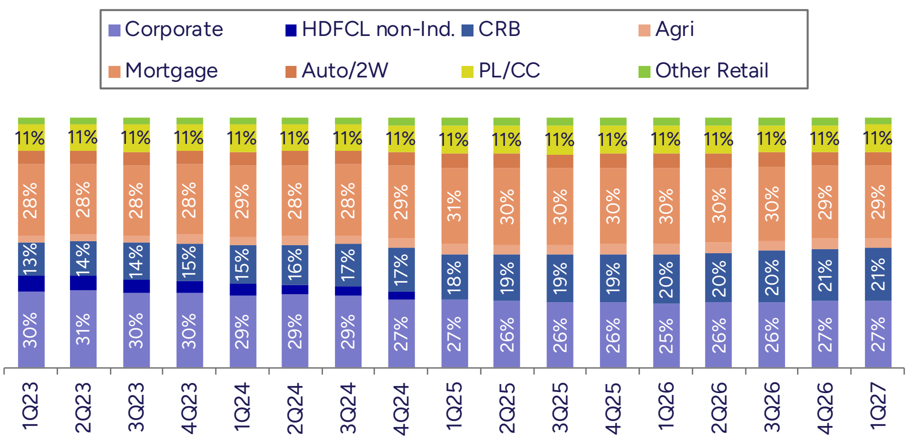
Source: Company, PL

Exhibit 5 : Vehicle Finance growth increased to 8% YoY



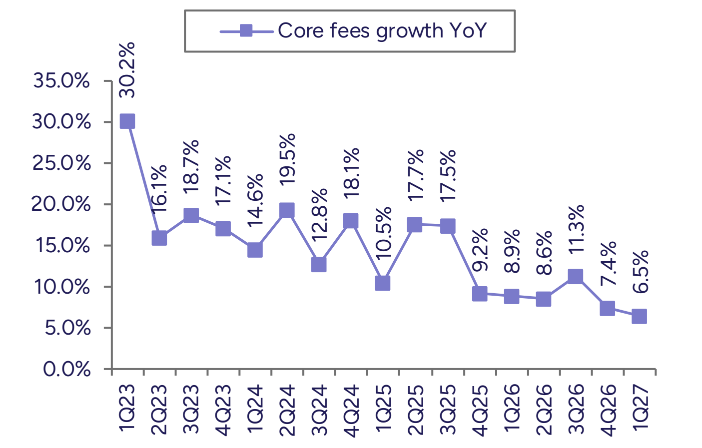
Source: Company, PL

Exhibit 5: Product-wise advances as percentage of total loans



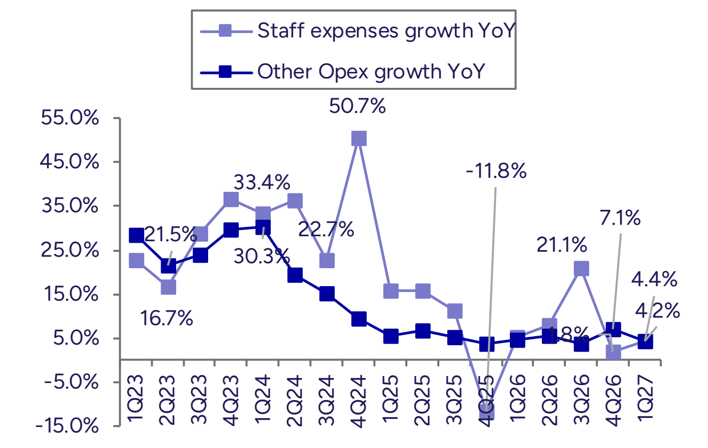
Source: Company, PL

Exhibit 6: Fee income growth decreased to 6.5% YoY



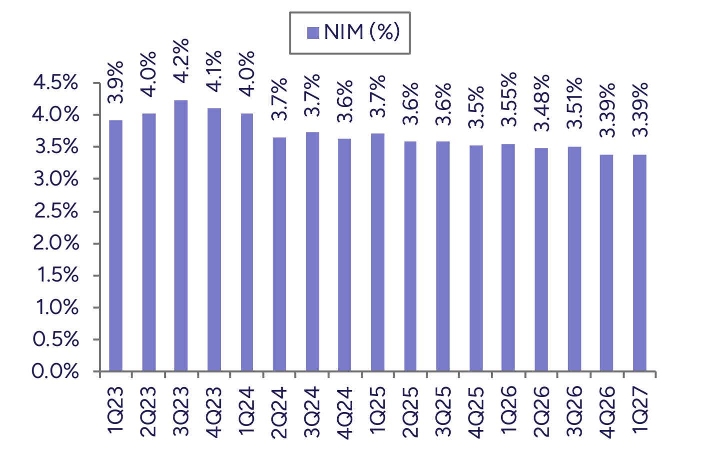
Source: Company, PL

Exhibit 7: Staff cost increased to 4.2% YoY



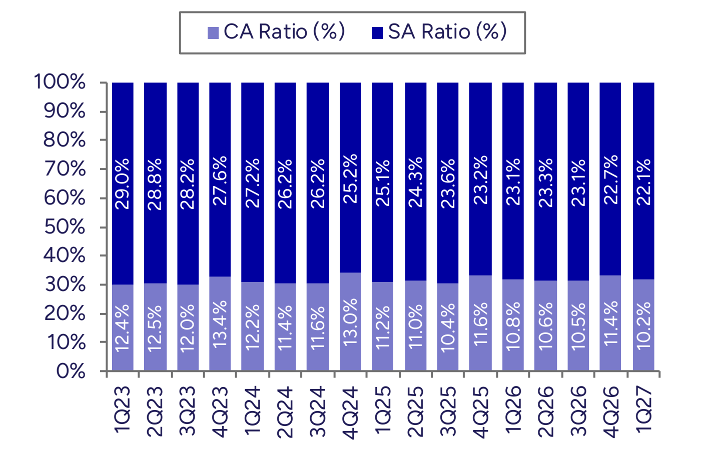
Source: Company, PL

Exhibit 8: NIM stable at 3.39%



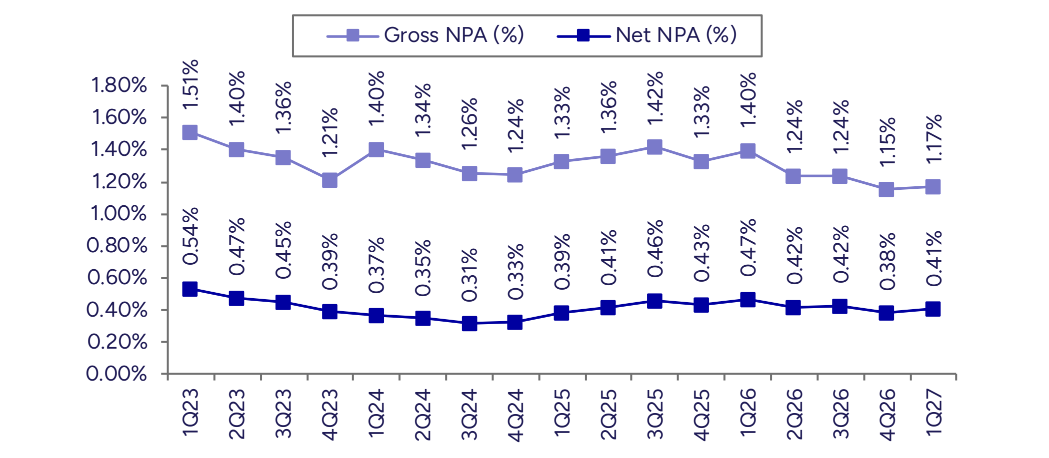
Source: Company, PL

Exhibit 9: CASA declined sequentially to 32.3%



Source: Company, PL

Exhibit 10: GNPA/NNPA at 1.17%/0.41%. PCR decreased to 65.5%



Source: Company, PL

Exhibit 11: Return ratios to range between 14-14.5%

RoA decomposition	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Interest income	7.6	6.9	7.4	8.1	8.0	7.4	7.2	7.3
Interest expenses	3.9	3.3	3.8	4.7	4.7	4.3	4.1	4.1
Net interest income	**3.7**	**3.6**	**3.6**	**3.4**	**3.3**	**3.1**	**3.1**	**3.2**
Other Inc. from operations	1.3	1.2	1.1	1.5	1.2	1.5	1.2	1.1
Total income	**4.9**	**4.8**	**4.8**	**4.8**	**4.5**	**4.6**	**4.4**	**4.4**
Employee expenses	1.7	1.6	1.8	1.9	1.8	1.8	1.6	1.6
Other operating expenses	0.5	0.5	0.6	0.7	0.6	0.6	0.6	0.5
Operating profit	**1.1**	**1.1**	**1.2**	**1.2**	**1.2**	**1.1**	**1.1**	**1.1**
Tax	0.5	0.5	0.5	0.3	0.6	0.5	0.6	0.6
Loan loss provisions	0.9	0.7	0.5	0.7	0.3	0.6	0.3	0.3
RoAA	**1.84**	**1.89**	**1.92**	**1.89**	**1.79**	**1.82**	**1.84**	**1.85**
RoAE	**14.5**	**14.9**	**15.8**	**15.6**	**14.3**	**14.1**	**14.2**	**14.3**

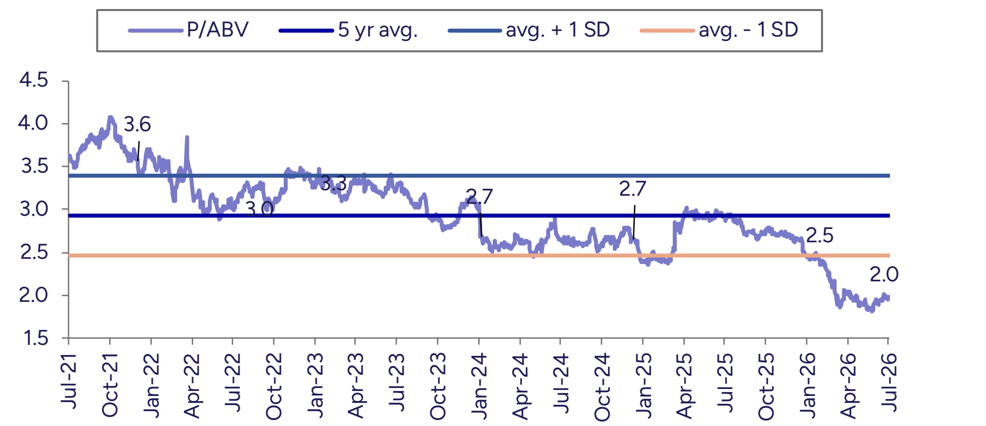
Source: Company, PL

Exhibit 12: SOTP valuation of Rs1,040, core bank valued at 2.1x on Mar'28 Core ABV

Particulars	Stake	Rs per share	% of total	Valuation (x)	Basis
Standalone	100.0%	916	86.3	2.1	x Mar'28 core ABV
HDFC Life	50.5%	40	3.8	1.00	Mkt Cap
HDFC AMC	52.3%	48	4.5	36.0	Mar'28E core PAT
HDB Financials	74.1%	29	2.8	1.00	Mkt Cap
HDFC Ergo	50.2%	11	1.0	40.00	Mar'26 PAT
HSL	94.0%	17	1.6	30.00	Mar'26 PAT
Total		**1,062**	**100.0**		
Holdco disc. (10%)		22			
Target Price		**1,040**			

Source: Company, PL

Exhibit 13: HDFCB 1-year forward P/ABV trades at 2x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Income Statement (INR m)								
Interest earned	740,169	760,069	767,601	774,702	766,907	767,512	766,100	793,628
Interest expended	439,030	453,536	453,943	460,322	451,392	441,362	435,285	458,288
Net Interest Income	**301,139**	**306,533**	**313,658**	**314,380**	**315,515**	**326,150**	**330,816**	**335,340**
Other income	114,827	114,536	120,279	217,298	143,500	132,538	131,989	128,216
Fees	**81,400**	**81,800**	**85,300**	**76,000**	**88,400**	**92,300**	**92,200**	**85,000**
Total Income	415,966	421,068	433,937	531,678	459,015	458,688	462,805	463,556
Operating Expenses	**168,909**	**171,064**	**175,570**	**174,338**	**179,779**	**187,710**	**184,775**	**181,875**
Employees	59,853	59,504	61,159	61,580	64,613	72,032	62,277	64,148
Others	109,056	111,560	114,410	112,759	115,166	115,679	122,498	117,727
Operating profit	247,057	250,004	265,367	357,340	279,236	270,978	278,029	281,681
Core PPoP	**228,230**	**231,268**	**237,788**	**232,041**	**240,036**	**245,040**	**253,140**	**251,465**
Provisions	**27,005**	**31,539**	**31,931**	**144,416**	**35,005**	**28,379**	**26,096**	**30,598**
Profit before tax	220,053	218,466	233,437	212,923	244,231	242,599	251,934	251,083
Taxes	51,843	51,111	57,275	31,371	57,818	56,062	59,723	60,486
Net Profit	168,210	167,355	176,161	181,552	186,413	186,538	192,211	190,597
Core PAT	**153,818**	**153,003**	**155,349**	**147,915**	**156,493**	**166,593**	**173,222**	**167,660**
Balance Sheet (INR m)								
Share capital	15,262	15,297	15,304	15,336	15,364	15,385	15,393	15,401
Reserves & surplus	4,619,446	4,814,912	4,998,942	5,211,066	5,208,722	5,409,165	5,613,616	5,815,530
Deposits	25,000,882	25,637,950	27,147,149	27,640,890	28,017,888	28,600,546	31,052,505	31,708,301
Borrowings	5,855,561	5,702,398	5,479,309	5,100,562	5,095,971	5,211,480	4,893,946	4,618,127
Other liabilities	1,389,504	1,419,088	1,461,285	1,572,913	1,692,140	1,653,298	2,073,403	1,817,254
Total liabilities	**36,880,654**	**37,589,645**	**39,101,989**	**39,540,767**	**40,030,084**	**40,889,873**	**43,648,863**	**43,974,613**
Cash & bank	2,563,394	2,201,709	2,395,707	2,025,953	1,651,423	1,751,962	2,984,664	2,235,644
Investments	7,240,151	8,118,535	8,363,597	8,966,635	8,743,213	8,782,567	8,842,015	9,194,134
Advances	24,951,203	25,182,482	26,196,086	26,284,342	27,463,598	28,214,465	29,371,663	30,373,033
Fixed assets	128,295	128,725	136,554	137,847	138,541	142,995	147,246	145,664
Other assets	1,997,611	1,958,195	2,010,046	2,125,990	2,033,310	1,997,885	2,303,276	2,026,138
Total assets	**36,880,654**	**37,589,645**	**39,101,989**	**39,540,767**	**40,030,084**	**40,889,873**	**43,648,863**	**43,974,613**
Balance sheet ratios (%)								
Loan growth	7.0	3.0	5.4	6.7	10.1	12.0	12.1	15.6
Deposit growth	15.1	15.8	14.1	16.2	12.1	11.6	14.4	14.7
LDR	99.8	98.2	96.5	95.1	98.0	98.7	94.6	95.8
CASA	35.3	34.0	34.8	33.9	33.9	33.6	34.1	32.3
Capital Adequacy (%)								
CET-1	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Tier-2	2.0	2.0	2.0	3.0	3.0	3.0	2.0	2.0
CRAR	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Profitability ratios (%)								
Yield on assets	8.7	8.7	8.5	8.3	8.2	8.0	7.7	7.6
Cost of funds	5.8	5.8	5.6	5.9	5.7	5.5	5.2	5.3
NIM	3.6	3.6	3.5	3.6	3.5	3.5	3.4	3.4
Fees/Assets	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9
Cost/Income	40.6	40.6	40.5	32.8	39.2	40.9	39.9	39.2
Opex/avg assets	0.5	0.5	0.5	0.4	0.5	0.5	0.4	0.4
RoA	1.9	1.8	1.9	1.9	1.9	1.9	1.9	1.8
Core RoA	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6
RoE	15.5	14.8	15.0	14.8	15.1	14.6	14.4	13.8
Core RoE	13.6	13.2	12.9	12.2	12.1	12.2	12.1	12.2
EPS (INR)	44.1	43.8	46.0	47.4	48.5	48.5	49.9	49.5
BVPS (INR)	303.7	315.8	327.6	340.8	340.0	352.6	365.7	378.6
ABVPS (INR)	296.9	308.2	320.2	332.8	332.6	344.8	358.4	370.6
Asset quality ratios (%)								
GNPA	1.4	1.4	1.3	1.4	1.2	1.2	1.2	1.2
NNPA	0.4	0.5	0.4	0.5	0.4	0.4	0.4	0.4
Provision coverage	69.9	67.8	67.9	66.9	66.6	65.9	67.2	65.5
Provision costs	0.4	0.5	0.5	2.3	0.5	0.4	0.4	0.4
Slippage	1.3	1.4	1.2	1.4	1.1	1.3	0.9	1.1
NNPA/Equity	2.2	2.4	2.3	2.3	2.2	2.2	2.0	2.1

Source: Company, PL

Financials

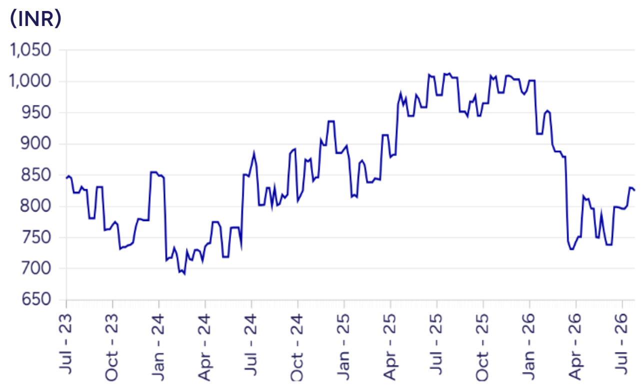
Y/e Mar	FY25	FY26	FY27E	FY28E
Income Statement (INR m)				
Interest earned	3,005,170	3,075,221	3,318,639	3,777,050
Interest expended	1,778,470	1,788,360	1,869,186	2,096,888
Net Interest Income	**1,226,701**	**1,286,860**	**1,449,453**	**1,680,162**
Other income	456,323	625,326	565,560	591,155
Fees	**318,986**	**348,759**	**385,093**	**439,005**
Net Total Income	1,683,024	1,912,186	2,015,013	2,271,317
Operating Expenses	**681,749**	**726,603**	**760,842**	**847,133**
Employees	239,005	260,502	264,394	283,366
Others	442,743.5	466,102.0	496,447.6	563,767.1
Operating profit	1,001,275	1,185,583	1,254,172	1,424,183
Core PPoP	**950,978**	**1,013,761**	**1,169,956**	**1,371,183**
Provisions	**116,494**	**227,943**	**137,315**	**163,700**
Profit before tax	884,781	957,639	1,116,857	1,260,483
Taxes	211,307.0	204,974.0	268,271.6	302,516.0
Net Profit	673,474	752,665	848,585	957,967
Core PAT	**635,189**	**678,541**	**784,598**	**917,687**
Growth Ratios (%)				
Loans	5.4	12.1	14.0	13.0
Deposits	14.1	14.4	15.9	13.7
NII	7.9	4.9	12.6	15.9
Fees	13.1	9.3	10.4	14.0
Opex	5.5	6.6	4.7	11.3
Core PPoP	11.0	6.6	15.4	17.2
Provisions	(51.3)	95.7	(39.8)	19.2
Core PAT	13.2	6.8	15.6	17.0
Profitability Ratios (%)				
Yield on IEA	8.5	7.9	7.6	7.7
Cost of funds	5.6	5.2	4.9	4.9
NIM	**3.3**	**3.1**	**3.1**	**3.2**
Cost/Income	40.5	38.0	37.8	37.3
Provision cost	**0.5**	**0.8**	**0.4**	**0.5**
Tax rate	23.9	21.4	24.0	24.0
Core RoA	**1.7**	**1.6**	**1.7**	**1.8**
Core RoE	**13.9**	**13.1**	**13.4**	**14.0**
Du-pont (%)				
Interest income	**8.0**	**7.4**	**7.2**	**7.3**
Interest expenses	**4.7**	**4.3**	**4.1**	**4.1**
NII	**3.3**	**3.1**	**3.1**	**3.2**
Other income	1.2	1.5	1.2	1.1
Fees/avg assets	**1.0**	**1.0**	**1.0**	**1.0**
Total income	**4.5**	**4.6**	**4.4**	**4.4**
Opex/avg assets	**1.8**	**1.8**	**1.6**	**1.6**
Staff cost	0.6	0.6	0.6	0.5
Other opex	1.2	1.1	1.1	1.1
PPOP	**2.7**	**2.9**	**2.7**	**2.8**
Core PPoP/avg assets	**2.5**	**2.5**	**2.5**	**2.7**
Provisions	0.3	0.6	0.3	0.3
PBT	**2.4**	**2.3**	**2.4**	**2.4**
Tax	0.6	0.5	0.6	0.6
RoA	**1.8**	**1.8**	**1.8**	**1.9**
RoE	**14.3**	**14.1**	**14.2**	**14.3**

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
Balance Sheet (INR m)				
Equity	5,014,246	5,629,009	6,317,081	7,045,930
Share capital	15,304	15,393	15,401	15,401
Deposits	27,147,149	31,052,505	35,999,059	40,915,552
Borrowings	5,479,309	4,893,946	4,311,228	4,625,165
Other Liabilities	1,461,285	2,073,403	1,985,763	2,234,994
Total liabilities	**39,101,989**	**43,648,863**	**48,613,131**	**54,821,640**
Cash with RBI	1,443,550	2,006,794	1,597,780	1,729,489
Balance with banks	952,157	977,870	797,713	897,833
Investments	8,363,597	8,842,015	10,438,282	11,863,867
Advances	26,196,086	29,371,663	33,479,125	37,846,885
Fixed assets	136,554	147,246	150,078	156,171
Other assets	2,010,046	2,303,276	2,150,154	2,327,395
Total assets	**39,101,989**	**43,648,863**	**48,613,131**	**54,821,640**
Balance sheet ratios (%)				
LDR	96.5	94.6	93.0	93.0
CASA	34.8	34.0	31.5	30.8
Inv/NDTL	24.5	23.3	24.7	24.8
Borr/NDTL	16.1	12.9	10.2	9.7
Assets/equity (x)	7.8	7.8	7.7	7.8
RWA/Loans	101.5	101.3	98.6	96.8
RWA/Total assets	68.0	68.1	67.9	66.8
Capital ratios (%)				
CRAR	19.6	19.7	19.4	19.5
CET-1	17.2	17.3	17.4	17.5
AT-1	0.5	0.4	1.0	1.0
Tier-2	1.9	2.0	1.6	1.5
Asset quality ratios (%)				
GNPA (INR mn)	352,226	340,612	386,680	457,500
NNPA (INR mn)	113,204	111,695	120,061	137,434
GNPA	1.3	1.2	1.1	1.2
NNPA	0.4	0.4	0.4	0.4
PCR	67.9	67.2	69.0	70.0
Slippage	1.3	1.2	1.2	2.0
NNPA / Equity	2.3	2.0	1.9	2.0
Per share (INR)				
EPS	44.0	48.9	55.1	62.2
DPS	11.0	16.0	14.9	16.8
BVPS	327.6	365.7	410.2	457.5
ABVPS	320.2	358.4	402.4	448.6
Core BVPS	318.6	357.0	401.5	448.8
Core ABVPS	311.2	349.8	393.7	439.9
Valuation (x)				
Price (INR)	832.2	759.0	820.0	820.0
P/E	18.9	15.5	14.9	13.2
P/BV	2.5	2.1	2.0	1.8
P/ABV	2.6	2.1	2.0	1.8
P/core BV	2.2	1.8	1.7	1.6
P/core ABV	2.2	1.8	1.8	1.6

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Jul-26	BUY	1100	829
2	20-Apr-26	Buy	1100	800
3	10-Apr-26	BUY	1150	798
4	19-Feb-26	BUY	1150	924
5	18-Jan-26	BUY	1150	931
6	08-Jan-26	BUY	1150	949
7	19-Oct-25	BUY	1150	1003
8	07-Oct-25	BUY	1075	983
9	20-Jul-25	BUY	2150	1957
10	07-Jul-25	BUY	2125	1987

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Axis Bank	BUY	1600	1341
2	Bank of Baroda	Accumulate	290	248
3	Canara Bank	Accumulate	150	125
4	Canara Robeco Asset Management Company	HOLD	280	252
5	City Union Bank	BUY	310	228
6	DCB Bank	BUY	155	185
7	Federal Bank	Accumulate	300	332
8	HDFC Asset Management Company	BUY	3020	2773
9	HDFC Bank	BUY	1100	829
10	ICICI Bank	BUY	1825	1415
11	ICICI Prudential Asset Management Company	BUY	3550	3206
12	Indian Bank	BUY	1000	843
13	IndusInd Bank	Accumulate	960	1022
14	Karur Vysya Bank	BUY	345	314
15	Kotak Mahindra Bank	BUY	480	382
16	Nippon Life India Asset Management	BUY	1050	1208
17	Prudent Corporate Advisory Services	Accumulate	2875	3021
18	State Bank of India	BUY	1200	1038
19	Union Bank of India	Accumulate	200	161
20	UTI Asset Management Company	HOLD	975	992

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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