

# HDFC Bank (HDFCB IN)

**Q4FY26 Result Update**

April 20, 2026

Estimate Change |  Target |  Reco.

## Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	1,100		1,150	
NII (INR. mn)	1,480,159	1,682,587	1,509,036	1,716,043
% Chng.	(1.9)	(1.9)		
Op. Profit (INR mn)	1,225,025	1,392,405	1,258,677	1,433,194
% Chng.	(2.7)	(2.8)		
EPS (INR)	53.5	60.9	55.2	62.9
% Chng.	(3.1)	(3.2)		

## 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	78,494 / 24,354
Market Cap	INR 12,313 bn / \$ 132,506 mn
Shares Outstanding	15393.37 mn
3M Avg. Daily Value	INR 38,425.67 mn

## Shareholding Pattern (%)

Promoters	-
FII	44.05
MF	29.54
DII	10.78
Public & Others	15.63
Promoters Pledge	-

## Stock Performance (%)

	1M	3M	6M	12M
Absolute	(5.4)	(14.1)	(20.2)	(15.9)
Relative	(8.3)	(8.5)	(14.7)	(15.8)

## Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
NII (INR mn)	1,226,701	1,286,860	1,480,159	1,682,587
NIM (%)	3.3	3.1	3.2	3.3
Core PPOP (INR mn)	950,978	1,015,257	1,172,025	1,339,405
PAT (INR mn)	673,474	746,713	824,863	938,340
Core PAT (INR mn)	635,189	675,155	784,583	898,060
EPS (INR)	44.0	48.5	53.6	61.0
Gr. (%)	4.6	10.2	10.5	13.8
DPS (INR)	11.0	16.0	14.5	16.5
Yield (%)	1.4	1.9	1.8	2.1
RoAE (%)	14.3	14.0	13.9	14.2
Core RoAE (%)	13.9	13.0	13.5	13.9
RoAA (%)	1.8	1.8	1.8	1.8
Core RoAA (%)	1.7	1.6	1.7	1.7
P/ABV (x)	2.6	2.2	2.0	1.8
P/BV (x)	2.5	2.2	2.0	1.8
PE (x)	18.2	16.5	14.9	13.1
CAR (%)	19.6	19.8	19.4	19.4

## Deposit accretion and LCR remain key monitorables

### Quick Pointers

- Soft quarter due to lower core PAT led by NII/fees miss
- Deposit growth was strong due to focus on granular deposit
- We trim core PAT for FY27/28E by avg. 3.0%

HDFCB saw a soft quarter as core PAT at INR 173bn missed PLe by ~5% due to lower NII and fees. Asset quality was under control that resulted in lower provisions. Deposit growth was strong at 8.6% QoQ and bank attributed this to focus on granular deposits. While LDR is not a constraint as per the bank, LCR is a bit lower at 114%. We are factoring a loan/deposit CAGR of 12/13% over FY26-28E that may translate to deposit requirement of INR 4.0-4.5trn. We trim NIM and fees for 27/28E which has led to cut in core PAT by avg. 3.0%. Due to cautious sector outlook on growth and NIM, we trim multiple to 2.2x from 2.5x but roll forward to FY28 core ABV. Hence, we tweak TP to INR 1,100 from INR 1,150. Retain 'BUY'.

- **Soft quarter; miss on core PAT due to lower NII/fees:** NII was lower at INR 330.8bn (PLe INR 344bn) due to miss on calc. NIM as growth was back ended. NIM (calc.) was a miss at 3.39% (PLe 3.54%); reported NIM was 3.53% (3.51% in Q3'26). Loan & deposit growth were in-line at 12.1%/14.4% YoY. LDR fell to 94.6% (98.7% in Q3'26). CASA increased to 34.1% (33.6% in Q3'26). Other income was lower at INR 132bn (PLe INR 137.3bn) due to 3.8% miss on fees. Opex at INR 184.8bn was 0.7% lower. Core PPOP at INR 253.1bn was 6% miss. GNPA was 1.15% (PLe 1.2%) due to lower net slippage; gross slippage was INR 62bn (PLe INR 74.8bn); recovery was better at INR 46bn (PLe INR 41.3bn). Hence, provisions were lower at INR 26.1bn (PLe INR 29.4bn). Core PAT was 4.9% below PLe at INR 173.2bn while PAT was INR 192.2bn.
- **Deposit growth was strong QoQ due to seasonality:** Loan growth was 4.1% QoQ mainly led by corporate (5.1%), small & mid-market (5.3%) and agri (5.3%); retail growth was 2.3% QoQ. Deposit growth was strong at 8.6% QoQ; bank suggested that RTD (<INR 30mn) constituted 47% of incremental deposits. Bank reiterated that LDR is not a constraint and LCR was 114%. Post-merger, liability penetration in home loans improved from 36% to 50%, with 60-65% of customers routing EMIs through HDFCB accounts, improving CASA accretion and customer stickiness.
- **We trim NIM for FY27/28E; miss on fees:** Investment yields (calc.) fell by 47bps QoQ due to change in mix which partly contributed to miss in NIM. We trim NIM for FY27/28E by 10bps each to ~3.4% due to lower investment yields. Fee was muted QoQ due to lower volumes, unfavorable product mix i.e. lower share of high margin products and shift in customer preferences; we cut fees by ~3.5%.

### Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	% Var.	Q4'25A	YoY gr. (%)
NII (INR mn)	3,44,021	3,30,816	-3.8	3,13,658	5.5
Margin (%)	3.5	3.4	-4.2bps	3.5	-4.0bps
Core PPOP (INR mn)	2,69,231	2,53,140	-6.0	2,37,788	6.5
Core PAT (INR mn)	1,82,237	1,73,222	-4.9	1,55,349	11.5

Source: Company, PL

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## Q4FY26 Concall Highlights

### Balance sheet

- System credit growth for FY26 stood at 13.5-13.9%, while the bank delivered 12% YoY loan growth, reflecting continued momentum vs 5.4% in FY25.
- Deposit growth remained strong at 14.4% YoY, continuing to outpace credit growth. Retail deposits continue to dominate at around ~80% of total deposits.
- Higher share of term deposits continues to keep funding costs elevated thus resulting in a decline in NIM. TD grew by 15.5% YoY while overall deposits grew by 14.4% YoY.
- Management reiterated that LDR is not a constraint, supported by five straight years of 30-50 bps market share gains in deposits. Focus remains on sustainable, granular liabilities.
- Post the HDFC Ltd merger, liability penetration in the home loan book has improved from 36% to 50%, with 60-65% of customers routing EMI through HDFC Bank accounts, materially improving CASA accretion and customer stickiness.
- CASA balances from mortgage customers increased from INR 500bn to INR 860bn, with rising cross sell of credit cards (23% penetration), insurance and wealth products, supporting long term ROA stability.
- ROA remained stable at 1.9%. This was attributed to cost efficiencies, with the core cost-to-income ratio declining from 40.5% to 39.5%.
- LCR stood at 114%; bank aims to operate in the 110-120% band.
- Bank continues to acquire 6-8mn customers annually.

### Profit & loss

- Fall in NIM was due to faster asset yield transmission. Management expects NIM to remain range-bound, emphasizing ROA as the primary performance metric.
- Third party distribution income was modest due to lower volumes, unfavourable product mix i.e. lower share of high margin products and shift in customer preferences.
- Treasury income growth was muted due to lower FX volumes and lower spreads amidst geopolitical risk. Investment yields declined due to maturity of older high-yield securities and book duration adjustments.
- Bank is transitioning to a technology first institution, with digital adoption reaching 97% of payment & service transactions and 92% of customer acquisition journeys, supporting scalability, cost efficiency and improved customer experience.

### Asset quality

- Management reiterated no stress signals across segments. Mortgage portfolio remains particularly strong with industry lowest NPA levels.
- Bank continues to maintain a 125bps of provisioning buffer for future contingencies.

**Exhibit 1 : PAT at INR 192bn due to higher staff expenses and lower NII**

Financials (Rs m)	Q4FY26	Q4FY25	YoY gr. (%)	Q4FY26E	% Var.	Q3FY26	QoQ gr (%)
Interest income	7,66,100	7,67,601	(0.2)	7,99,058	(4.1)	7,67,512	(0.2)
Interest Expended	4,35,285	4,53,943	(4.1)	4,55,038	(4.3)	4,41,362	(1.4)
<b>Net interest income</b>	<b>3,30,816</b>	<b>3,13,658</b>	<b>5.5</b>	<b>3,44,021</b>	<b>(3.8)</b>	<b>3,26,150</b>	<b>1.4</b>
Other income	1,31,989	1,20,279	9.7	1,37,258	(3.8)	1,32,538	(0.4)
-Fee Income	1,07,100	99,700	7.4	1,11,358	(3.8)	1,06,600	0.5
-Other non interest income	24,889	20,579	20.9	25,900	(3.9)	25,938	(4.0)
<b>Total income</b>	<b>3,55,705</b>	<b>3,34,237</b>	<b>6.4</b>	<b>3,69,921</b>	<b>(3.8)</b>	<b>3,52,088</b>	<b>1.0</b>
Operating expenses	1,84,775	1,75,570	5.2	1,86,147	(0.7)	1,87,710	(1.6)
-Staff expenses	62,277	61,159	1.8	67,233	(7.4)	72,032	(13.5)
-Other expenses	1,22,498	1,14,410	7.1	1,18,914	3.0	1,15,679	5.9
<b>Operating profit</b>	<b>2,78,029</b>	<b>2,58,367</b>	<b>7.6</b>	<b>2,95,131</b>	<b>(5.8)</b>	<b>2,70,978</b>	<b>2.6</b>
<b>Core operating profit</b>	<b>2,53,140</b>	<b>2,37,788</b>	<b>6.5</b>	<b>2,69,231</b>	<b>(6.0)</b>	<b>2,45,040</b>	<b>3.3</b>
Total provisions	26,096	31,931	(18.3)	29,445	(11.4)	28,379	(8.0)
<b>Profit before tax</b>	<b>2,51,934</b>	<b>2,26,437</b>	<b>11.3</b>	<b>2,65,686</b>	<b>(5.2)</b>	<b>2,42,599</b>	<b>3.8</b>
Tax	59,723	57,275	4.3	63,765	(6.3)	56,062	6.5
<b>Profit after tax</b>	<b>1,92,211</b>	<b>1,69,161</b>	<b>13.6</b>	<b>2,01,921</b>	<b>(4.8)</b>	<b>1,86,538</b>	<b>3.0</b>
<b>Balance sheet (Rs m)</b>							
Deposits	3,10,52,505	2,71,47,149	14.4	3,10,55,000	(0.0)	2,86,00,546	8.6
Advances	2,93,71,663	2,61,96,086	12.1	2,93,60,104	0.0	2,82,14,465	4.1
<b>Profitability ratios</b>							
YoA – Calc	8.7	9.5	(78)	8.8	(9)	9.0	(29)
CoF – Calc	5.1	5.8	(68)	5.3	(25)	5.4	(34)
NIM – Calc	3.4	3.5	(15)	3.5	(15)	3.5	(13)
RoA – Calc	1.9	1.9	(1)	2.0	(11)	1.9	(4)
RoA – Calc	14.4	15.0	(52)	15.2	(80)	14.6	(10)
<b>Asset Quality</b>							
Gross NPL (Rs mn)	3,40,612	3,52,226	(3.3)	3,55,455	(4.2)	3,51,790	(3.2)
Net NPL (Rs mn)	1,11,695	1,13,204	(1.3)	1,17,300	(4.8)	1,19,818	(6.8)
Gross NPL ratio	1.2	1.3	(18)	1.2	(5)	1.2	(9)
Net NPL ratio	0.4	0.4	(5)	0.4	(2)	0.4	(4)
Coverage ratio – Calc	67.2	67.9	(65)	67.0	21	65.9	127
<b>Business &amp; Other Ratios</b>							
Low-cost deposit mix	34.1	34.8	(65)	34.1	(0)	33.6	54
Cost-income ratio	39.9	40.5	(53)	38.7	125	40.9	(100)
Non int. inc / total income	28.5	27.7	80	28.5	(0)	28.9	(38)
Credit deposit ratio	94.6	96.5	(191)	94.5	4	98.7	(406)
CAR	19.7	19.6	10	-	-	19.9	(20)
Tier-I	17.7	17.7	-	-	-	17.8	(10)

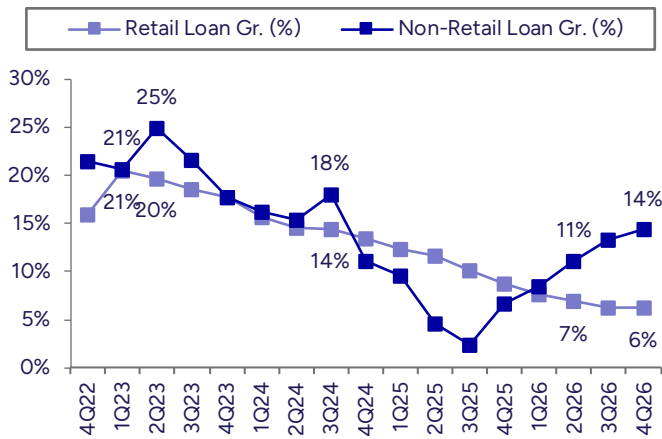
Source: Company, PL

Exhibit 2 : CRB (+5.3% QoQ) and Agri (5.3% QoQ) were key growth drivers

Loan Composition (Rs mn)	Q4FY26	Q4FY25	YoY gr. (%)	Q3FY26	QoQ gr. (%)
Corporate	81,08,000	71,78,000	13.0	77,17,000	5.1
CRB	63,16,000	53,91,000	17.2	59,96,000	5.3
Agri	13,04,000	11,84,000	10.1	12,38,000	5.3
Retail	1,48,45,000	1,39,79,000	6.2	1,45,09,000	2.3
PL	21,78,000	19,93,000	9.3	21,17,000	2.9
Auto	15,75,000	14,57,000	8.1	15,27,000	3.1
Mortgages	88,87,000	83,57,000	6.3	87,07,000	2.1
CC	11,38,000	11,36,000	0.2	11,36,000	0.2
2Wheeler	1,19,000	1,24,000	(4.0)	1,19,000	-
Gold	2,37,000	1,77,000	33.9	2,15,000	10.2
Other Retail	7,11,000	7,35,000	(3.3)	6,88,000	3.3
<b>Total Advances</b>	<b>2,96,00,000</b>	<b>2,64,34,000</b>	<b>12.0</b>	<b>2,84,45,000</b>	<b>4.1</b>

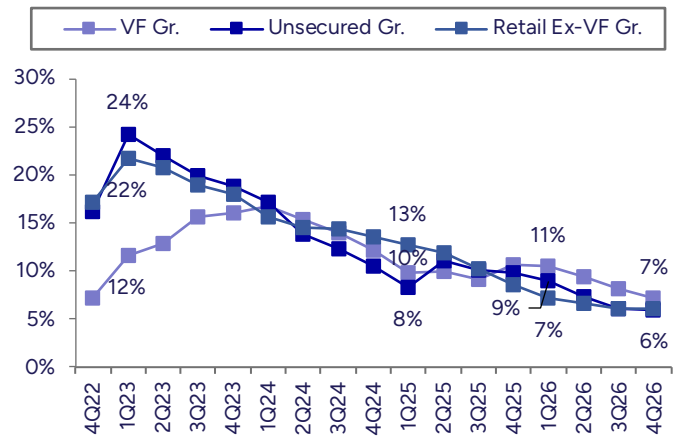
Source: Company, PL \*Corporate incl HDFCL Non-In

Exhibit 3 : Retail loan growth at 6% YoY



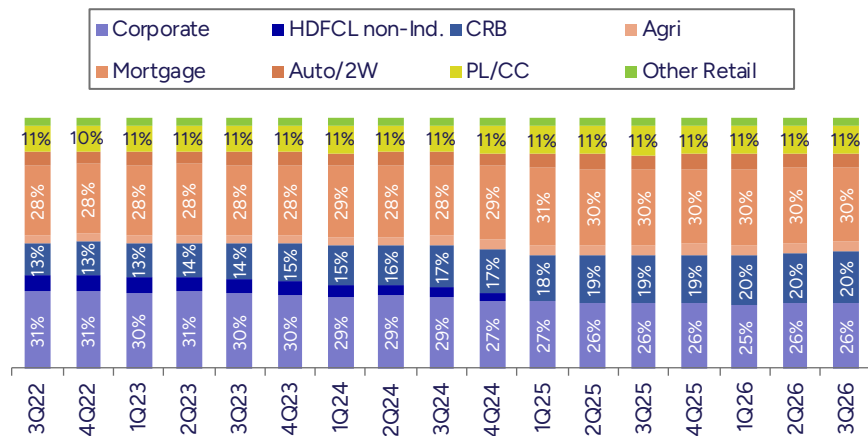
Source: Company, PL

Exhibit 4 : Vehicle Finance growth declined to 7% YoY



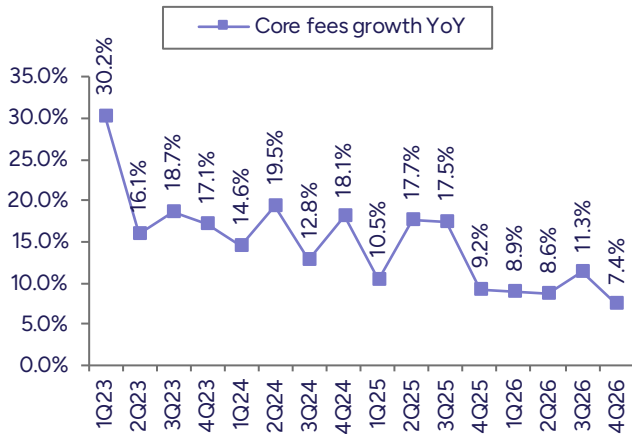
Source: Company, PL

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



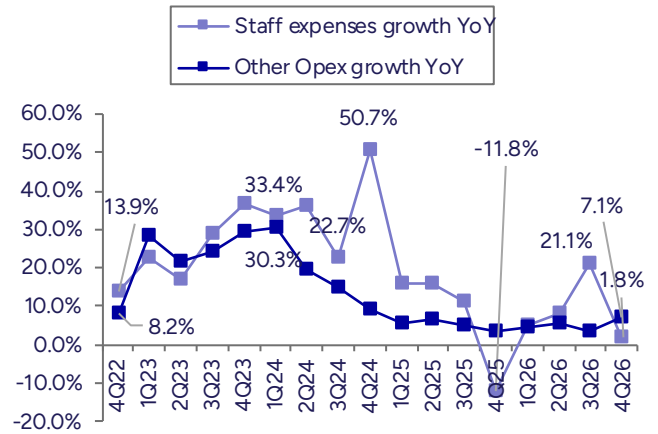
Source: Company, PL

**Exhibit 6 : Fee income growth decreased to 7.4% YoY**



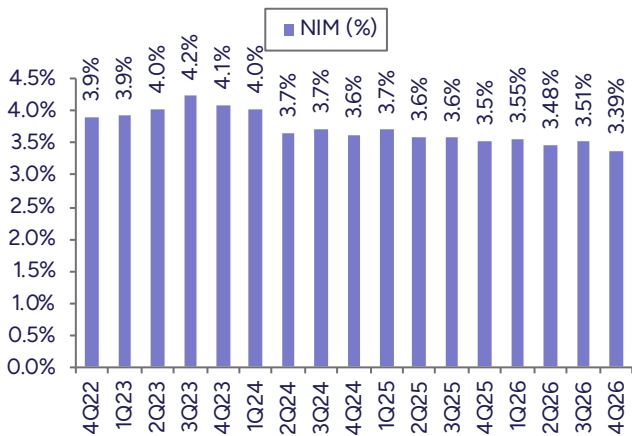
Source: Company, PL

**Exhibit 7 : Staff cost declined to 1.8% YoY**



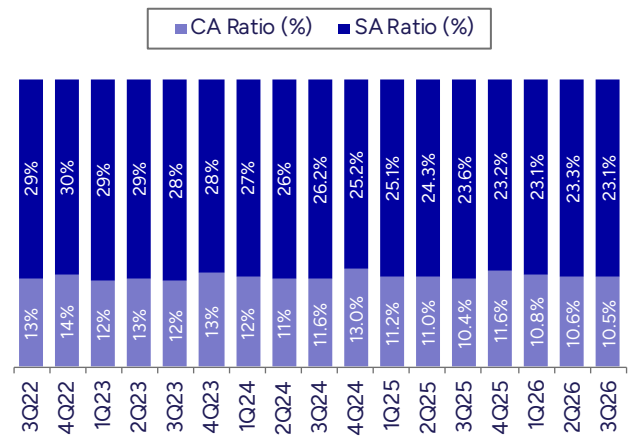
Source: Company, PL

**Exhibit 8 : NIM decreased to 3.39%**



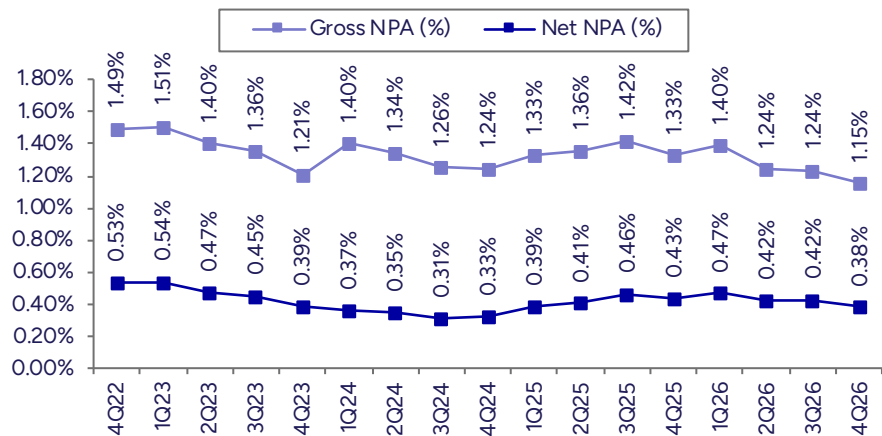
Source: Company, PL

**Exhibit 9 : CASA steady sequentially at 33.6%**



Source: Company, PL

**Exhibit 10 : GNPA/NNPA at 1.15%/0.38%. PCR increased to 67.2%**



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	7.0	6.9
Interest expenses	3.9	3.3	3.8	4.7	4.7	4.3	3.8	3.7
<b>Net interest income</b>	<b>3.7</b>	<b>3.6</b>	<b>3.6</b>	<b>3.4</b>	<b>3.3</b>	<b>3.1</b>	<b>3.2</b>	<b>3.3</b>
Other Inc. from operations	1.3	1.2	1.1	1.5	1.2	1.5	1.2	1.1
<b>Total income</b>	<b>4.9</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.5</b>	<b>4.6</b>	<b>4.4</b>	<b>4.4</b>
Employee expenses	0.5	0.5	0.6	0.7	0.6	0.6	0.6	0.5
Other operating expenses	1.1	1.1	1.2	1.2	1.2	1.1	1.2	1.2
<b>Operating profit</b>	<b>3.3</b>	<b>3.2</b>	<b>3.0</b>	<b>2.9</b>	<b>2.7</b>	<b>2.9</b>	<b>2.7</b>	<b>2.7</b>
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
<b>RoAA</b>	<b>1.84</b>	<b>1.89</b>	<b>1.92</b>	<b>1.89</b>	<b>1.79</b>	<b>1.80</b>	<b>1.78</b>	<b>1.82</b>
<b>RoAE</b>	<b>14.5</b>	<b>14.9</b>	<b>15.8</b>	<b>15.6</b>	<b>14.3</b>	<b>14.0</b>	<b>13.9</b>	<b>14.2</b>

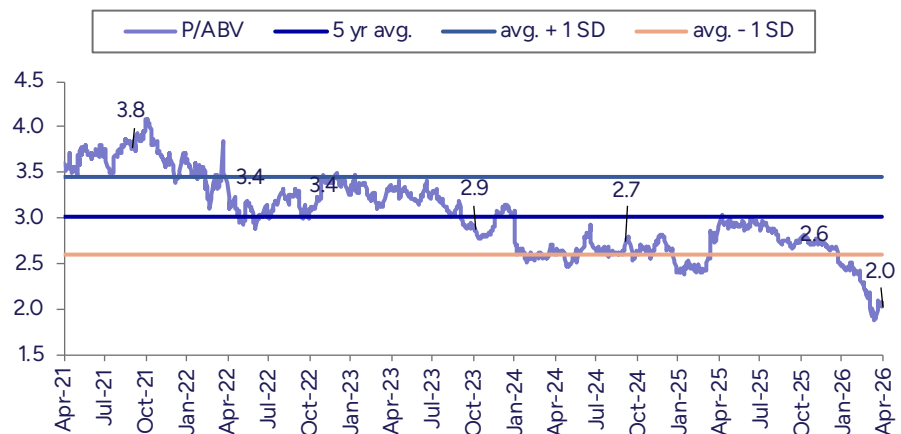
Source: Company, PL

Exhibit 12 : SOTP valuation of Rs1,100, core bank valued at 2.2x on Mar'28E

Particulars	Stake	Rs per share	% of total	Valuation (x)	Basis
Standalone	100.0%	968	86.8	2.2	x Mar'28 Core ABV
HDFC Life	50.2%	44	3.9	1.0	Mkt Cap
HDFC AMC	52.4%	48	4.3	36.0	Mar28E core PAT
HDB Financials	74.2%	27	2.5	1.0	Mkt Cap
HDFC Ergo	50.3%	11	1.0	40.0	Mar'26 PAT
HSL	94.1%	17	1.5	30.0	Mar'26 PAT
<b>Total</b>		<b>1,115</b>	<b>100.0</b>		
Holdco disc. (10%)		15			
<b>Target Price</b>		<b>1,100</b>			

Source: Company, PL

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



Source: Company, PL

## Quarterly Financials

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
<b>Income Statement (INR m)</b>								
Interest earned	730,331	740,169	760,069	767,601	774,702	766,907	767,512	766,100
Interest expended	431,960	439,030	453,536	453,943	460,322	451,392	441,362	435,285
<b>Net Interest Income</b>	<b>298,371</b>	<b>301,139</b>	<b>306,533</b>	<b>313,658</b>	<b>314,380</b>	<b>315,515</b>	<b>326,150</b>	<b>330,816</b>
Other income	106,681	114,827	114,536	120,279	217,298	143,500	132,538	131,989
<b>Fees</b>	<b>70,500</b>	<b>81,400</b>	<b>81,800</b>	<b>85,300</b>	<b>76,000</b>	<b>88,400</b>	<b>92,300</b>	<b>92,200</b>
Total Income	405,053	415,966	421,068	433,937	531,678	459,015	458,688	462,805
<b>Operating Expenses</b>	<b>166,206</b>	<b>168,909</b>	<b>171,064</b>	<b>175,570</b>	<b>174,338</b>	<b>179,779</b>	<b>187,710</b>	<b>184,775</b>
Employees	58,489	59,853	59,504	61,159	61,580	64,613	72,032	62,277
Others	107,717	109,056	111,560	114,410	112,759	115,166	115,679	122,498
Operating profit	238,846	247,057	250,004	258,367	357,340	279,236	270,978	278,029
<b>Core PPOp</b>	<b>216,665</b>	<b>228,230</b>	<b>231,268</b>	<b>237,788</b>	<b>232,041</b>	<b>240,036</b>	<b>245,040</b>	<b>253,140</b>
Provisions	26,021	27,005	31,539	31,931	144,416	35,005	28,379	26,096
Profit before tax	212,826	220,053	218,466	226,437	212,923	244,231	242,599	251,934
Taxes	51,078	51,843	51,111	57,275	31,371	57,818	56,062	59,723
Net Profit	161,748	168,210	167,355	169,161	181,552	186,413	186,538	192,211
<b>Core PAT</b>	<b>144,890</b>	<b>153,818</b>	<b>153,003</b>	<b>155,349</b>	<b>147,915</b>	<b>156,493</b>	<b>166,593</b>	<b>173,222</b>
<b>Balance Sheet (INR m)</b>								
Share capital	15,216	15,262	15,297	15,304	15,336	15,364	15,385	15,393
Reserves & surplus	4,571,607	4,619,446	4,814,912	4,998,942	5,211,066	5,208,722	5,409,165	5,613,616
Deposits	23,790,845	25,000,882	25,637,950	27,147,149	27,640,890	28,017,888	28,600,546	31,052,505
Borrowings	5,993,372	5,855,561	5,702,398	5,479,309	5,100,562	5,095,971	5,211,480	4,893,946
Other liabilities	1,301,456	1,389,504	1,419,088	1,461,285	1,572,913	1,692,140	1,653,298	2,073,403
<b>Total liabilities</b>	<b>35,672,495</b>	<b>36,880,654</b>	<b>37,589,645</b>	<b>39,101,989</b>	<b>39,540,767</b>	<b>40,030,084</b>	<b>40,889,873</b>	<b>43,648,863</b>
Cash & bank	1,818,636	2,563,394	2,201,709	2,395,707	2,025,953	1,651,423	1,751,962	2,984,664
Investments	7,088,167	7,240,151	8,118,535	8,363,597	8,966,635	8,743,213	8,782,567	8,842,015
Advances	24,635,208	24,951,203	25,182,482	26,196,086	26,284,342	27,463,598	28,214,465	29,371,663
Fixed assets	120,228	128,295	128,725	136,554	137,847	138,541	142,995	147,246
Other assets	2,010,257	1,997,611	1,958,195	2,010,046	2,125,990	2,033,310	1,997,885	2,303,276
<b>Total assets</b>	<b>35,672,495</b>	<b>36,880,654</b>	<b>37,589,645</b>	<b>39,101,989</b>	<b>39,540,767</b>	<b>40,030,084</b>	<b>40,889,873</b>	<b>43,648,863</b>
<b>Balance sheet ratios (%)</b>								
Loan growth	10.9	7.0	3.0	5.4	6.7	10.1	12.0	12.1
Deposit growth	15.3	15.1	15.8	14.1	16.2	12.1	11.6	14.4
LDR	103.5	99.8	98.2	96.5	95.1	98.0	98.7	94.6
CASA	37.0	36.0	34.0	35.0	34.0	34.0	34.0	35.0
<b>Capital Adequacy (%)</b>								
CET-1	17.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Tier-2	2.0	2.0	2.0	2.0	3.0	3.0	3.0	2.0
CRAR	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
<b>Profitability ratios (%)</b>								
Yield on assets	8.6	8.7	8.7	8.5	8.3	8.2	8.0	7.7
Cost of funds	6.0	5.8	5.8	5.6	5.9	5.7	5.5	5.2
NIM	3.7	3.6	3.6	3.5	3.6	3.5	3.5	3.4
Fees/Assets	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Cost/Income	41.0	40.6	40.6	40.5	32.8	39.2	40.9	39.9
Opex/avg assets	0.5	0.5	0.5	0.5	0.4	0.5	0.5	0.4
RoA	1.9	1.9	1.8	1.9	1.9	1.9	1.9	1.9
Core RoA	1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.6
RoE	15.2	15.5	14.8	15.0	14.8	15.1	14.6	14.4
Core RoE	13.6	13.6	13.2	12.9	12.2	12.1	12.2	12.1
EPS (INR)	42.5	44.1	43.8	46.0	47.4	48.5	48.5	49.9
BVPS (INR)	301.4	303.7	315.8	327.6	340.8	340.0	352.6	365.7
ABVPS (INR)	295.2	296.9	308.2	320.2	332.8	332.6	344.8	358.4
<b>Asset quality ratios (%)</b>								
GNPA	1.3	1.4	1.4	1.3	1.4	1.2	1.2	1.2
NNPA	0.4	0.4	0.5	0.4	0.5	0.4	0.4	0.4
Provision coverage	71.2	69.9	67.8	67.9	66.9	66.6	65.9	67.2
Provision costs	0.4	0.4	0.5	0.5	2.3	0.5	0.4	0.4
Slippage	1.3	1.3	1.4	1.2	1.4	1.1	1.3	0.9
NNPA/Equity	2.1	2.2	2.4	2.3	2.3	2.2	2.2	2.0

Source: Company, PL

## Financials

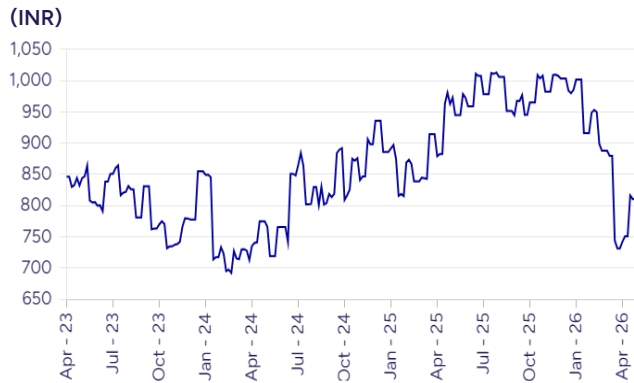
Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Income Statement (INR m)</b>				
Interest earned	3,005,170	3,075,221	3,237,966	3,582,639
Interest expended	1,778,470	1,788,360	1,757,807	1,900,052
<b>Net Interest Income</b>	<b>1,226,701</b>	<b>1,286,860</b>	<b>1,480,159</b>	<b>1,682,587</b>
Other income	456,323	625,326	540,025	592,944
<b>Fees</b>	<b>318,986</b>	<b>348,900</b>	<b>387,417</b>	<b>437,267</b>
<i>Net Total Income</i>	<i>1,683,023.7</i>	<i>1,912,187.0</i>	<i>2,020,184.1</i>	<i>2,275,531.5</i>
<b>Operating Expenses</b>	<b>681,749</b>	<b>726,603</b>	<b>795,159</b>	<b>883,126</b>
Employees	239,005	260,502	261,816	280,603
Others	442,743.5	466,102.0	533,343.2	602,523.0
Operating profit	1,001,275	1,185,583	1,225,025	1,392,405
<b>Core PPOP</b>	<b>950,978</b>	<b>1,015,257</b>	<b>1,172,025</b>	<b>1,339,405</b>
<b>Provisions</b>	<b>116,494</b>	<b>233,896</b>	<b>139,679</b>	<b>157,748</b>
Profit before tax	884,781	951,687	1,085,346	1,234,658
Taxes	211,307.0	204,974.0	260,483.1	296,317.8
Net Profit	673,474	746,713	824,863	938,340
<b>Core PAT</b>	<b>635,189</b>	<b>675,155</b>	<b>784,583</b>	<b>898,060</b>
<b>Growth Ratios (%)</b>				
Loans	5.4	12.1	12.0	12.0
Deposits	14.1	14.4	13.3	13.2
NII	7.9	4.9	15.0	13.7
Fees	13.1	9.4	11.0	12.9
Opex	5.5	6.6	9.4	11.1
Core PPOP	11.0	6.8	15.4	14.3
Provisions	(51.3)	100.8	(40.3)	12.9
Core PAT	13.2	6.3	16.2	14.5
<b>Profitability Ratios (%)</b>				
Yield on IEA	8.5	7.9	7.4	7.3
Cost of funds	5.6	5.2	4.6	4.5
<b>NIM</b>	<b>3.3</b>	<b>3.1</b>	<b>3.2</b>	<b>3.3</b>
Cost/Income	40.5	38.0	39.4	38.8
<b>Provision cost</b>	<b>0.5</b>	<b>0.8</b>	<b>0.4</b>	<b>0.5</b>
Tax rate	23.9	21.5	24.0	24.0
<b>Core RoA</b>	<b>1.7</b>	<b>1.6</b>	<b>1.7</b>	<b>1.7</b>
<b>Core RoE</b>	<b>13.9</b>	<b>13.0</b>	<b>13.5</b>	<b>13.9</b>
<b>Du-pont (%)</b>				
Interest income	8.0	7.4	7.0	6.9
Interest expenses	4.7	4.3	3.8	3.7
NII	3.3	3.1	3.2	3.3
Other income	1.2	1.5	1.2	1.1
<b>Fees/avg assets</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
<b>Total income</b>	<b>4.5</b>	<b>4.6</b>	<b>4.4</b>	<b>4.4</b>
<b>Opex/avg assets</b>	<b>1.8</b>	<b>1.8</b>	<b>1.7</b>	<b>1.7</b>
Staff cost	0.6	0.6	0.6	0.5
Other opex	1.2	1.1	1.2	1.2
<b>PPOP</b>	<b>2.7</b>	<b>2.9</b>	<b>2.7</b>	<b>2.7</b>
<b>Core PPOP/avg assets</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.6</b>
Provisions	0.3	0.6	0.3	0.3
<b>PBT</b>	<b>2.4</b>	<b>2.3</b>	<b>2.3</b>	<b>2.4</b>
Tax	0.6	0.5	0.6	0.6
<b>RoA</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>
<b>RoE</b>	<b>14.3</b>	<b>14.0</b>	<b>13.9</b>	<b>14.2</b>

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Balance Sheet (INR m)</b>				
Equity	5,014,246	5,629,009	6,231,159	6,946,786
Share capital	15,304	15,393	15,393	15,393
Deposits	27,147,149	31,052,505	35,184,393	39,833,924
Borrowings	5,479,309	4,893,946	5,036,323	5,181,525
Other Liabilities	1,461,285	2,073,403	2,333,633	2,626,525
<b>Total liabilities</b>	<b>39,101,989</b>	<b>43,648,863</b>	<b>48,785,509</b>	<b>54,588,760</b>
Cash with RBI	1,443,550	2,006,794	2,023,144	2,189,916
Balance with banks	952,157	977,870	1,015,118	1,142,524
Investments	8,363,597	8,842,015	10,203,474	11,551,838
Advances	26,196,086	29,371,663	32,897,408	36,846,380
Fixed assets	136,554	147,246	153,225	159,447
Other assets	2,010,046	2,303,276	2,493,140	2,698,655
<b>Total assets</b>	<b>39,101,989</b>	<b>43,648,863</b>	<b>48,785,509</b>	<b>54,588,760</b>
<b>Balance sheet ratios (%)</b>				
LDR	96.5	94.6	94.0	93.0
CASA	35.0	35.0	34.0	33.0
Inv/NDTL	24.5	23.3	24.0	24.2
Borr/NDTL	16.1	12.9	11.8	10.9
Assets/equity (x)	7.8	7.8	7.8	7.9
RWA/Loans	101.5	101.4	100.5	99.6
RWA/Total assets	68.0	68.3	67.8	67.2
<b>Capital ratios (%)</b>				
CRAR	19.6	19.8	19.4	19.4
CET-1	17.2	17.3	17.1	17.2
AT-1	0.5	1.0	1.0	1.0
Tier-2	1.9	2.0	1.8	1.7
<b>Asset quality ratios (%)</b>				
GNPA (INR mn)	352,226	340,612	386,680	463,590
NNPA (INR mn)	113,204	111,695	116,188	139,261
GNPA	1.3	1.2	1.2	1.2
NNPA	0.4	0.4	0.4	0.4
PCR	67.9	67.2	70.0	70.0
Slippage	1.3	1.2	1.2	1.2
NNPA / Equity	2.3	2.0	1.9	2.0
<b>Per share (INR)</b>				
EPS	44.0	48.5	53.6	61.0
DPS	11.0	16.0	14.5	16.5
BVPS	327.6	365.7	404.8	451.3
ABVPS	320.2	358.4	397.2	442.2
Core BVPS	318.6	356.7	395.8	442.3
Core ABVPS	311.2	349.4	388.2	433.2
<b>Valuation (x)</b>				
Price (INR)	832.2	799.9	799.9	799.9
P/E	18.9	16.5	14.9	13.1
P/BV	2.5	2.2	2.0	1.8
P/ABV	2.6	2.2	2.0	1.8
P/core BV	2.2	1.9	1.7	1.5
P/core ABV	2.3	1.9	1.7	1.5

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	10-Apr-26	BUY	1150	798
2	19-Feb-26	BUY	1150	924
3	18-Jan-26	BUY	1150	931
4	08-Jan-26	BUY	1150	949
5	19-Oct-25	BUY	1150	1003
6	07-Oct-25	BUY	1075	983
7	20-Jul-25	BUY	2150	1957
8	07-Jul-25	BUY	2125	1987
9	23-Jun-25	BUY	2125	1965
10	21-Apr-25	BUY	2125	1907

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Axis Bank	BUY	1500	1319
2	Bank of Baroda	Accumulate	320	274
3	Canara Bank	Hold	160	138
4	Canara Robeco Asset Management Company	ACCUMULATE	280	255
5	City Union Bank	BUY	310	252
6	DCB Bank	BUY	155	182
7	Federal Bank	BUY	275	283
8	HDFC Asset Management Company	Buy	3000	2515
9	HDFC Bank	BUY	1150	798
10	ICICI Bank	BUY	1800	1281
11	ICICI Prudential Asset Management Company	Buy	3585	3354
12	IndusInd Bank	ACCUMULATE	960	815
13	Kotak Mahindra Bank	BUY	500	372
14	Nippon Life India Asset Management	Buy	985	909
15	Prudent Corporate Advisory Services	Buy	2600	2344
16	State Bank of India	BUY	1280	1041
17	Union Bank of India	Accumulate	200	185
18	UTI Asset Management Company	Buy	1125	942

PL's Recommendation Nomenclature (Absolute Performance)

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

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