

April 21, 2025

## Q4FY25 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	2,125		1,950	
NII (Rs. m)	13,16,245	15,06,314	13,55,268	15,30,720
% Chng.	(2.9)	(1.6)		
Op. Profit (Rs. m)	10,41,931	11,89,551	10,71,403	11,90,296
% Chng.	(2.8)	(0.1)		
EPS (Rs.)	89.7	103.0	92.2	102.6
% Chng.	(2.7)	0.4		

### Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
NII (Rs bn)	1,137	1,220	1,316	1,506
Op. Profit (Rs bn)	987	994	1,042	1,190
PAT (Rs bn)	639	666	687	788
EPS (Rs.)	84.1	88.0	89.7	103.0
Gr. (%)	12.3	4.6	1.9	14.8
DPS (Rs.)	19.5	22.0	22.4	25.8
Yield (%)	1.0	1.2	1.2	1.4
NIM (%)	3.5	3.4	3.4	3.5
RoAE (%)	15.6	14.3	13.0	13.5
RoAA (%)	1.9	1.8	1.7	1.7
P/BV (x)	3.3	2.9	2.6	2.4
P/ABV (x)	3.4	3.0	2.7	2.4
PE (x)	22.7	21.7	21.3	18.5
CAR (%)	18.8	19.1	18.8	18.2

### Key Data HDBK.BO | HDFCB IN

52-W High / Low	Rs.1,920 / Rs.1,427
Sensex / Nifty	78,553 / 23,852
Market Cap	Rs.14,590bn / \$ 1,70,894m
Shares Outstanding	7,652m
3M Avg. Daily Value	Rs.21222.69m

### Shareholding Pattern (%)

Promoter's	-
Foreign	48.30
Domestic Institution	35.86
Public & Others	15.84
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	11.5	14.0	26.3
Relative	5.3	17.5	17.3

### Gaurav Jani

gauravjani@plindia.com | 91-22-66322235

### Aditya Modani

adityamodani@plindia.com | 91-22-66322257

### Harshada Gite

harshadagite@plindia.com | 91-22-66322237

## Deposit execution key to loan growth upgrade

### Quick Pointers:

- Soft quarter owing to lower NII/fees; asset quality improved QoQ.
- Pace of LDR fall would reduce in FY26; likely to reach 85-90% in FY27.

**HDFCB saw soft quarter as core PAT was 3.0% lower to PLe due to lower fees and NII. Adjusted for tax refund, NIM at 3.53% was 4bps lower to PLe. However, asset quality was better as GNPA declined by ~8bps QoQ to 1.33% owing to lower net slippages. LDR declined over FY24 to FY25 from 104.5% to 96.5% but further reduction may happen at a slower pace in FY26 as credit growth would pick-up. Bank has guided to reach LDR of 85-90% in FY27; we are factoring LDR to reach 92.5%/89.0% in FY26/27E which would imply a loan CAGR of 10%. Due to RBI accommodative stance, we revise our repo rate cut assumption to 75bps from 50bps and trim NIM for FY26/27E by 11/5bps; however overall NII/core PAT may not change materially. PSLC cost remains a key monitorable. We raise our SOTP based TP to Rs2,125 from Rs1,950 as we roll forward to Mar'27 core ABV and tweak multiple to 2.4x from 2.3x. Retain 'BUY'.**

- Miss on core PAT due to lower NIM/fees:** NII was higher at Rs320.7bn (PLe Rs316.4bn) due to tax refund of Rs7bn adjusted for which reported NIM on IEA was 3.65% (+3bps QoQ). NIM (calc.) was 3.53% (PLe3.57%); yield on IEA was lesser, offset by lower funding cost. Loan/deposit growth at 5.4%/14.1% YoY was broadly in-line while LDR decreased to 96.5% (98.2% in Q3FY25). Other income was lower at Rs120.3bn (PLe Rs122.5bn) due to weaker fees. Opex at Rs175.6bn was lower to PLe by 1.3% led by softer other opex. Core PPop at Rs237.8bn was 2.3% below PLe; PPop was Rs265.4bn. Asset quality improved as GNPA declined by 8.4bps QoQ to 1.33% (PLe 1.43%) due to lower net slippages. Provisions were Rs31.9bn (PLe Rs32.7bn). Core PAT at Rs155.4bn was a 3.0% miss while PAT was Rs176.2bn (PLe Rs173.5bn).
- Pace of LDR fall would decline in FY26E:** Credit growth at 4.0% QoQ was healthy but broad based – agri 10.0%, CRB 4.4%, retail 4.0% and corporate 2.5%. IBPC sell down was Rs1,298bn vs Rs1,413bn in Q3FY25. Deposit growth has been faster than the system; focus on LDR reduction would continue, although its pace would decline in FY26 compared to FY25. Credit growth may normalize in FY26 driven by retail, CRB and unsecured. We are factoring loan growth of 10% YoY each in FY26/27E. Pre-merger LDR of 85-90% may be achieved in FY27. 45% of HDFCL borrowings (avg. cost ~8.0%) are likely to mature between FY25-27E which may cushion NIM.
- Rate cut trajectory would impact NIM:** Due to higher than expected repo rate cuts, loan yields would be revised lower for FY26E which would be partly offset by lower replacement cost of HDFCL liabilities. Hence, extent of NIM fall for HDFCB in FY26E would be lower compared to peers. We cut NIM for FY26/27E by 11/5bps. Hence NIM could decline by 5bps YoY to 3.38% for FY26 but enhance by 12bps YoY to 3.50% for FY27. Bank is largely PSL complaint barring a shortfall of ~1% in SMF/EWS. PSLC cost is a key monitorable. We are factoring opex CAGR (incl. PSLC) of ~12.6% over FY25-27E.

**Exhibit 1: PAT at Rs169bn due to lower NII/fees partly offset by lower opex and better asset quality**

Financials (Rs m)	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	Q4FY25E	% Var.
Interest income	7,67,601	7,14,728	7.4	7,60,069	1.0	7,81,671	(1.8)
Interest Expended	4,53,943	4,23,959	7.1	4,53,536	0.1	4,65,314	(2.4)
<b>Net interest income</b>	<b>3,13,658</b>	<b>2,90,768</b>	<b>7.9</b>	<b>3,06,533</b>	<b>2.3</b>	<b>3,16,357</b>	<b>(0.9)</b>
- Fee income	99,700	91,300	9.2	95,800	4.1	1,04,980	(5.0)
Other income	1,20,279	1,81,663	(33.8)	1,14,536	5.0	1,22,480	(1.8)
<b>Total income</b>	<b>4,33,937</b>	<b>4,72,431</b>	<b>(8.1)</b>	<b>4,21,068</b>	<b>3.1</b>	<b>4,38,837</b>	<b>(1.1)</b>
Operating expenses	1,75,570	1,79,688	(2.3)	1,71,064	2.6	1,77,832	(1.3)
-Staff expenses	61,159	69,362	(11.8)	59,504	2.8	60,694	0.8
-Other expenses	1,14,410	1,10,326	3.7	1,11,560	2.6	1,17,138	(2.3)
<b>Operating profit</b>	<b>2,58,367</b>	<b>2,92,742</b>	<b>(11.7)</b>	<b>2,50,004</b>	<b>3.3</b>	<b>2,61,005</b>	<b>(1.0)</b>
<b>Core operating profit</b>	<b>2,37,788</b>	<b>2,17,380</b>	<b>9.4</b>	<b>2,31,268</b>	<b>2.8</b>	<b>2,43,505</b>	<b>(2.3)</b>
Total provisions	31,931	1,35,116	(76.4)	31,539	1.2	32,695	(2.3)
<b>Profit before tax</b>	<b>2,26,437</b>	<b>1,57,626</b>	<b>43.7</b>	<b>2,18,466</b>	<b>3.6</b>	<b>2,28,309</b>	<b>(0.8)</b>
Tax	57,275	(7,493)	(864.4)	51,111	12.1	54,794	4.5
<b>Profit after tax</b>	<b>1,69,161</b>	<b>1,65,119</b>	<b>2.4</b>	<b>1,67,355</b>	<b>1.1</b>	<b>1,73,515</b>	<b>(2.5)</b>
<b>Balance sheet (Rs m)</b>							
Deposits	2,71,47,149	2,37,97,863	14.1	2,56,37,950	5.9	2,71,45,000	0.0
Advances	2,61,96,086	2,48,48,615	5.4	2,51,82,482	4.0	2,61,81,819	0.1
<b>Profitability ratios</b>							
			<b>bps</b>		<b>bps</b>		<b>bps</b>
YoA – Calc	9.5	9.9	(44)	9.7	(19)	9.7	(24)
CoF – Calc	5.8	5.9	(19)	6.0	(20)	5.9	(15)
<b>NIM – Calc</b>	<b>3.5</b>	<b>3.6</b>	<b>(10)</b>	<b>3.6</b>	<b>(5)</b>	<b>3.6</b>	<b>(4)</b>
RoaA – Calc	1.9	1.9	(5)	1.8	3	1.8	2
RoaE - Calc	15.0	15.9	(89)	14.8	18	14.8	15
<b>Asset Quality</b>							
Gross NPL (Rs mn)	3,52,226	3,11,733	13.0	3,60,186	(2.2)	3,77,685	(6.7)
Net NPL (Rs mn)	1,13,204	80,917	39.9	1,15,875	(2.3)	1,13,306	(0.1)
Gross NPL ratio	1.3	1.2	9	1.4	(8)	1.4	(10)
Net NPL ratio	0.4	0.3	11	0.5	(3)	0.4	(0)
Coverage ratio – Calc	67.9	74.0	(618)	67.8	3	70.0	(214)
<b>Business &amp; Other Ratios</b>							
Low-cost deposit mix	34.8	38.2	(339)	34.0	76	34.8	0
Cost-income ratio	40.5	38.0	242	40.6	(17)	40.5	(6)
Non int. inc / total income	27.7	38.5	(1,073)	27.2	52	27.9	(19)
Credit deposit ratio	96.5	104.4	(792)	98.2	(173)	96.5	4
CAR	19.6	18.8	80	20.0	(40)		
Tier-I	17.7	16.8	90	18.0	(30)		

Source: Company, PL.

## Q4FY25 Concall Highlights

### Balance Sheet

- For FY26, GDP is expected to be supported by rural spending and investment activities. Bank is watchful on the global scenario.
- In case of PSL, bank is well above the regulatory requirement of 40%. Bank has ~1% shortfall in two sub-segments i.e SMF and EWS.
- 70% of personal loan customers are salaried class and bank does not see any stress in unsecured segment.
- Bank has a risk based pricing model basis customer profile. Lending rates for fixed rate loans have not been changed yet.
- Management stated that rise in FY26 loan growth would not automatically increase NPA risk as bank only focuses on segments in which it is comfortable.
- Current market share for CASA and TD are ~11.5% & 10.5% respectively. Outlook for CASA depends on inflation, purchasing power of customers and other macro factors.
- Management reiterated the commentary on LDR. LDR is expected to reach between 85-90% in FY27.
- 60-65% of the borrowing is repo linked. Borrowing to total liabilities stands at 14%. In long term it is expected to transition to pre-merger levels of 8%.
- Bank has enough levers to defend ROA of 1.8% in FY26. Post FY26, ROA can move around by 5-10bps but it may remain range bound between 1.9-2.1%.

### Profit & Loss

- Repo linked loans get repriced within a month.
- NIM has been in a narrow band over the last 12 months. Some of the levers impacting NIMs for Q4FY25 were (1) lower cost of funds due to reduction in borrowing mix (2) positive impact from CRR cut and (3) lower agri NPA.
- Full impact of 50bps repo rate cut will be visible in Q1FY26 and rest of the year will see a benefit from TD rate cut.
- Visible benefits of investments in technology and branches over the past few years are expected to be seen in FY26.

### Others

- Bank has done reorganization on asset side. Head of CRB segment has taken a sabbatical due to personal reasons.

CRB/Retail loans witnessed growth at 4.4%/2.5% QoQ.

Corporate loans continued to decline YoY basis.

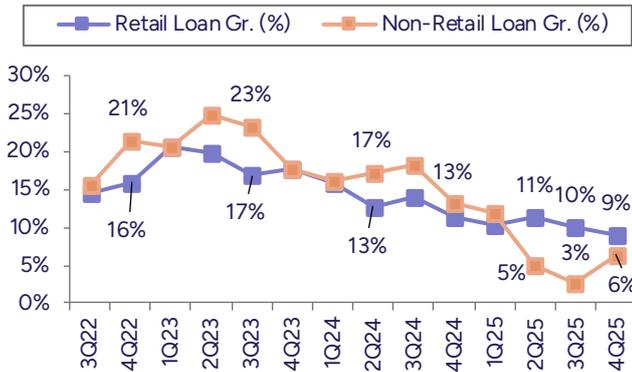
Agri loans grew by 10% QoQ.

**Exhibit 2: CRB (+12.3% YoY) and Agri (12.4% YoY) were key growth drivers**

Loan Composition (Rs mn)	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)
Corporate	49,26,000	50,75,000	(2.9)	48,06,000	2.5
CRB	78,65,000	70,03,000	12.3	75,32,000	4.4
Agri	11,84,000	10,53,000	12.4	10,76,000	10.0
Retail	1,37,57,000	1,26,11,000	9.1	1,34,25,000	2.5
PL	19,93,000	18,46,000	8.0	19,44,000	2.5
Auto	14,57,000	13,11,000	11.1	13,99,000	4.1
Mortgages	83,57,000	77,27,000	8.2	81,71,000	2.3
CC	11,36,000	10,02,000	13.4	11,23,000	1.2
2Wheeler	1,24,000	1,18,000	5.1	1,22,000	1.6
Gold	1,77,000	1,38,000	28.3	1,67,000	6.0
Other Retail	5,13,000	4,69,000	9.4	4,99,000	2.8
<b>Total Advances</b>	<b>2,64,34,000</b>	<b>2,58,85,000</b>	<b>2.1</b>	<b>2,54,26,000</b>	<b>4.0</b>

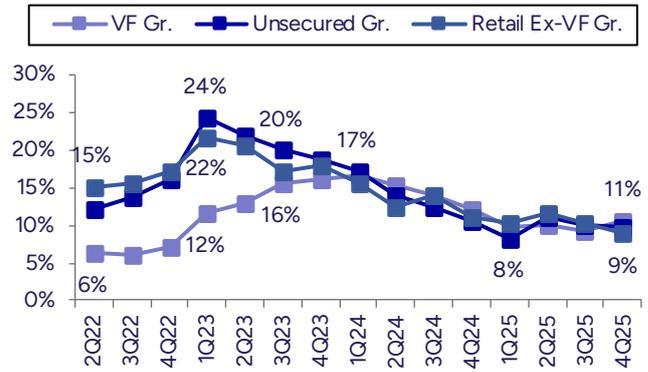
Source: Company, PL \*Corporate incl HDFCL Non-Ind

**Exhibit 3: Retail book growth at 9% YoY**



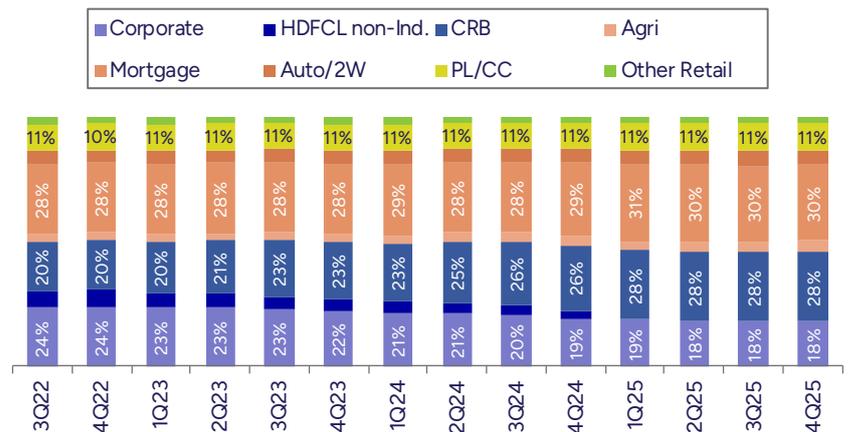
Source: Company, PL

**Exhibit 4: Vehicle Finance growth increased to 11% YoY**



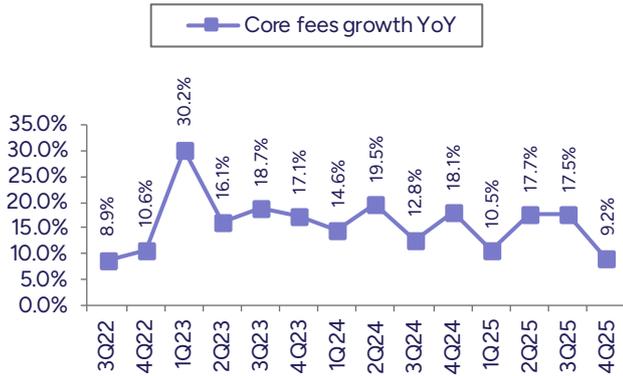
Source: Company, PL

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



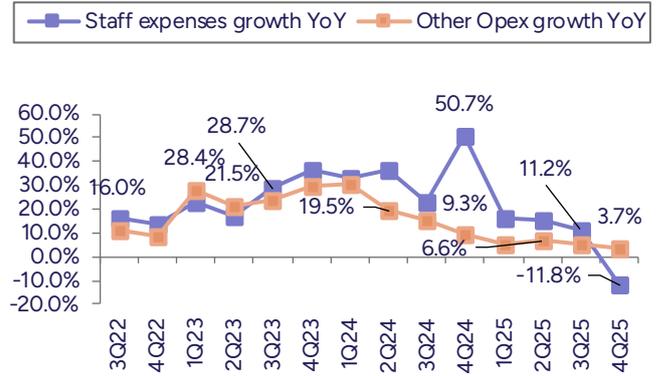
Source: Company, PL

**Exhibit 6: Fee income growth decreased to 9.2% YoY**



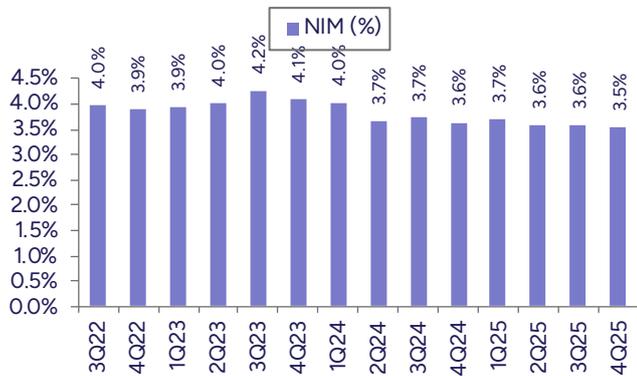
Source: Company, PL

**Exhibit 7: Staff cost reduced 11.8% YoY**



Source: Company, PL

**Exhibit 8: NIM maintained at 3.5%**



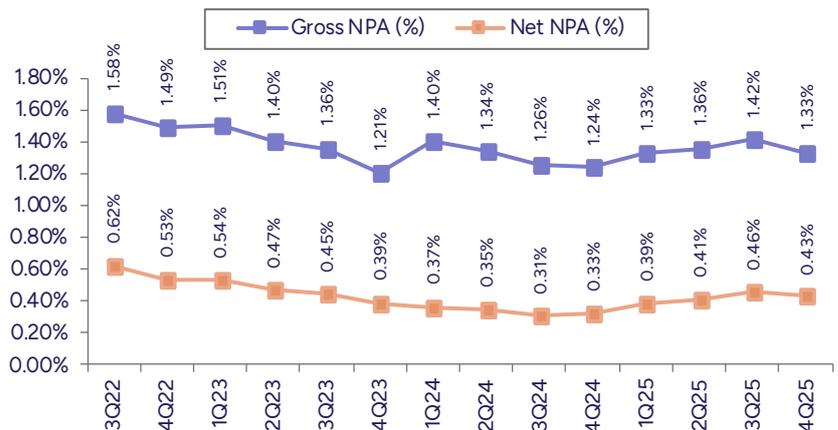
Source: Company, PL

**Exhibit 9: CASA improved sequentially to 34.8%**



Source: Company, PL

**Exhibit 10: GNPA/NNPA at 1.33%/0.43%. PCR stable at 67.9%**



Source: Company, PL

**Exhibit 11: Return ratios to remain range bound due to focus on LDR**

RoA decomposition	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Interest income	8.5	7.6	6.9	7.4	8.1	8.0	7.6	7.4
Interest expenses	4.8	3.9	3.3	3.8	4.7	4.7	4.4	4.1
<b>Net interest income</b>	<b>3.7</b>	<b>3.7</b>	<b>3.6</b>	<b>3.6</b>	<b>3.4</b>	<b>3.2</b>	<b>3.2</b>	<b>3.3</b>
Other Inc. from operations	1.9	1.3	1.2	1.1	1.5	1.2	1.2	1.2
<b>Total income</b>	<b>5.6</b>	<b>4.9</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.5</b>	<b>4.4</b>	<b>4.5</b>
Employee expenses	0.5	0.5	0.5	0.6	0.7	0.6	0.6	0.6
Other operating expenses	1.3	1.1	1.1	1.2	1.2	1.2	1.2	1.3
<b>Operating profit</b>	<b>3.8</b>	<b>3.3</b>	<b>3.2</b>	<b>3.0</b>	<b>2.9</b>	<b>2.7</b>	<b>2.5</b>	<b>2.6</b>
Tax	0.6	0.5	0.5	0.5	0.3	0.6	0.5	0.5
Loan loss provisions	1.0	0.9	0.7	0.5	0.7	0.3	0.3	0.3
<b>RoAA</b>	<b>2.17</b>	<b>1.84</b>	<b>1.89</b>	<b>1.92</b>	<b>1.89</b>	<b>1.79</b>	<b>1.67</b>	<b>1.73</b>
<b>RoAE</b>	<b>17.6</b>	<b>14.5</b>	<b>14.9</b>	<b>15.8</b>	<b>15.6</b>	<b>14.3</b>	<b>13.0</b>	<b>13.5</b>

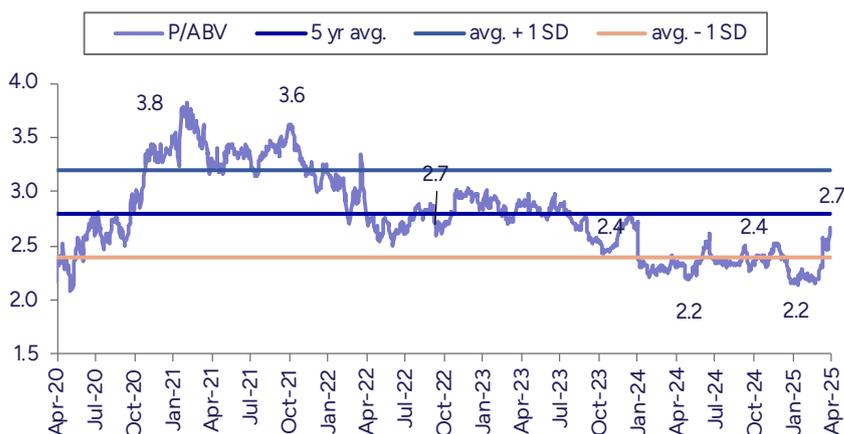
Source: Company, PL

**Exhibit 12: SOTP valuation of Rs2,125, core bank valued at 2.4x on Mar'27E**

Particulars	Stake	Rs per share	% of total	Valuation (x)	Basis
<b>Standalone</b>	100.0%	1,864	86.5	2.4	Mar'27 Core ABV
HDFC Life	50.3%	104	4.8	1.00	Mkt Cap
HDFC AMC	52.5%	67	3.1	35.0	FY27E core PAT
HDB Financials	94.3%	93	4.3	5.00	Mar'25 ABV
HDFC Ergo	50.3%	13	0.6	40.00	Mar'25 PAT
HSL	94.6%	13	0.6	10.00	Mar'25 PAT
<b>Total</b>		<b>2,154</b>	<b>100.0</b>		
Holdco discount		29			
<b>Target Price</b>		<b>2,125</b>			

Source: Company, PL

**Exhibit 13: HDFCB 1-year forward P/ABV trades at 2.7x**



Source: Company, PL

**Income Statement (Rs. m)**

Y/e Mar	FY24	FY25	FY26E	FY27E
Int. Earned from Adv.	22,23,802	23,84,444	24,18,057	25,73,888
Int. Earned from invt.	4,54,095	5,33,197	6,19,891	7,08,952
Others	47,158	55,466	53,970	56,162
Total Interest Income	27,46,192	29,98,170	31,16,845	33,66,405
Interest Expenses	16,09,064	17,78,470	18,00,600	18,60,091
<b>Net Interest Income</b>	<b>11,37,128</b>	<b>12,19,701</b>	<b>13,16,245</b>	<b>15,06,314</b>
Growth(%)	17.6	2.6	8.0	13.5
Non Interest Income	4,95,999	4,56,323	4,93,278	5,47,722
Net Total Income	16,33,127	16,76,024	18,09,523	20,54,036
Growth(%)	29.9	6.5	4.5	8.4
Employee Expenses	2,25,045	2,39,005	2,53,950	2,72,894
Other Expenses	4,20,919	4,42,744	5,13,641	5,91,591
Operating Expenses	6,45,964	6,81,749	7,67,592	8,64,485
<b>Operating Profit</b>	<b>9,87,163</b>	<b>9,94,275</b>	<b>10,41,931</b>	<b>11,89,551</b>
Growth(%)	13.1	0.7	4.8	14.2
NPA Provision	2,28,023	1,07,500	1,24,568	1,37,247
Total Provisions	2,39,121	1,16,494	1,38,640	1,52,369
<b>PBT</b>	<b>7,48,042</b>	<b>8,77,781</b>	<b>9,03,291</b>	<b>10,37,182</b>
Tax Provision	1,08,798	2,11,307	2,16,790	2,48,924
Effective tax rate (%)	14.5	24.1	24.0	24.0
<b>PAT</b>	<b>6,39,244</b>	<b>6,66,474</b>	<b>6,86,501</b>	<b>7,88,258</b>
Growth(%)	13.9	4.3	3.0	14.8

**Balance Sheet (Rs. m)**

Y/e Mar	FY24	FY25	FY26E	FY27E
Face value	1	1	1	1
No. of equity shares	7,597	7,652	7,652	7,652
Equity	7,597	7,652	7,652	7,652
Networth	44,02,458	50,14,246	55,29,122	61,20,316
Growth(%)	15.8	13.9	10.3	10.7
Adj. Networth to NNPA's	80,917	1,06,761	1,19,697	1,36,056
Deposits	2,37,97,863	2,71,47,149	3,11,49,330	3,56,49,751
Growth(%)	16.9	14.1	14.7	14.4
CASA Deposits	90,87,630	94,46,000	1,09,50,243	1,29,45,005
% of total deposits	38.2	34.8	35.2	36.3
<b>Total Liabilities</b>	<b>3,61,76,231</b>	<b>3,91,01,989</b>	<b>4,32,17,043</b>	<b>4,78,67,421</b>
Net Advances	2,48,48,615	2,61,96,086	2,88,13,130	3,16,92,628
Growth(%)	12.5	5.4	10.0	10.0
Investments	70,24,150	83,63,597	95,00,546	1,08,73,174
<b>Total Assets</b>	<b>3,61,76,231</b>	<b>3,91,01,989</b>	<b>4,32,17,043</b>	<b>4,78,67,421</b>
Growth (%)	14.5	8.1	10.5	10.8

**Asset Quality**

Y/e Mar	FY24	FY25	FY26E	FY27E
Gross NPAs (Rs m)	3,11,733	3,52,226	3,99,362	4,53,894
Net NPAs (Rs m)	80,917	1,06,761	1,19,697	1,36,056
Gr. NPAs to Gross Adv.(%)	1.2	1.3	1.4	1.4
Net NPAs to Net Adv. (%)	0.3	0.4	0.4	0.4
NPA Coverage %	74.0	69.7	70.0	70.0

**Profitability (%)**

Y/e Mar	FY24	FY25	FY26E	FY27E
NIM	3.5	3.4	3.4	3.5
RoAA	1.9	1.8	1.7	1.7
RoAE	15.6	14.3	13.0	13.5
Tier I	16.8	17.2	16.9	16.7
CRAR	18.8	19.1	18.8	18.2

Source: Company Data, PL Research

**Quarterly Financials (Rs. m)**

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Interest Income	7,30,331	7,40,169	7,60,069	7,67,601
Interest Expenses	4,31,960	4,39,030	4,53,536	4,53,943
<b>Net Interest Income</b>	<b>2,98,371</b>	<b>3,01,139</b>	<b>3,06,533</b>	<b>3,13,658</b>
YoY growth (%)	3.7	10.0	7.7	7.9
CEB	70,500	81,400	81,800	85,300
Treasury	-	-	-	-
Non Interest Income	1,06,681	1,14,827	1,14,536	1,20,279
<b>Total Income</b>	<b>4,05,053</b>	<b>4,15,966</b>	<b>4,21,068</b>	<b>4,33,937</b>
Employee Expenses	58,489	59,853	59,504	61,159
Other expenses	1,07,717	1,09,056	1,11,560	1,14,410
Operating Expenses	1,66,206	1,68,909	1,71,064	1,75,570
<b>Operating Profit</b>	<b>2,38,846</b>	<b>2,47,057</b>	<b>2,50,004</b>	<b>2,58,367</b>
YoY growth (%)	3.4	8.9	5.7	(11.7)
Core Operating Profits	2,16,665	2,28,230	2,31,268	2,37,788
NPA Provision	-	-	-	-
Others Provisions	26,021	27,005	31,539	31,931
Total Provisions	26,021	27,005	31,539	31,931
<b>Profit Before Tax</b>	<b>2,12,826</b>	<b>2,20,053</b>	<b>2,18,466</b>	<b>2,26,437</b>
Tax	51,078	51,843	51,111	57,275
<b>PAT</b>	<b>1,61,748</b>	<b>1,68,210</b>	<b>1,67,355</b>	<b>1,69,161</b>
YoY growth (%)	7.4	5.3	2.2	2.4
<b>Deposits</b>	<b>2,37,90,845</b>	<b>2,50,00,882</b>	<b>2,56,37,950</b>	<b>2,71,47,149</b>
YoY growth (%)	15.3	15.1	15.8	14.1
<b>Advances</b>	<b>2,46,35,208</b>	<b>2,49,51,203</b>	<b>2,51,82,482</b>	<b>2,61,96,086</b>
YoY growth (%)	10.9	7.0	3.0	5.4

**Key Ratios**

Y/e Mar	FY24	FY25	FY26E	FY27E
CMP (Rs)	1,907	1,907	1,907	1,907
EPS (Rs)	84.1	88.0	89.7	103.0
Book Value (Rs)	580	655	723	800
Adj. BV (70%)(Rs)	569	641	707	782
P/E (x)	22.7	21.7	21.3	18.5
P/BV (x)	3.3	2.9	2.6	2.4
P/ABV (x)	3.4	3.0	2.7	2.4
DPS (Rs)	19.5	22.0	22.4	25.8
Dividend Payout Ratio (%)	-	-	-	-
Dividend Yield (%)	1.0	1.2	1.2	1.4

**Efficiency**

Y/e Mar	FY24	FY25	FY26E	FY27E
Cost-Income Ratio (%)	41.2	40.7	42.4	42.1
C-D Ratio (%)	104.4	96.5	92.5	88.9
Business per Emp. (Rs m)	216	223	236	247
Profit per Emp. (Rs lacs)	28	28	27	29
Business per Branch (Rs m)	5,567	5,642	5,735	5,983
Profit per Branch (Rs m)	73	70	66	70

**Du-Pont**

Y/e Mar	FY24	FY25	FY26E	FY27E
NII	3.36	3.24	3.20	3.31
Total Income	4.82	4.45	4.40	4.51
Operating Expenses	1.91	1.81	1.86	1.90
PPoP	2.91	2.66	2.53	2.61
Total provisions	0.71	0.31	0.34	0.33
RoAA	1.89	1.79	1.67	1.73
RoAE	15.59	14.30	13.02	13.53

Source: Company Data, PL Research

**Price Chart**



**Recommendation History**

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Apr-25	BUY	1,950	1,758
2	23-Jan-25	BUY	1,950	1,666
3	08-Jan-25	BUY	2,000	1,713
4	20-Oct-24	BUY	2,000	1,682
5	07-Oct-24	BUY	2,000	1,658
6	21-Jul-24	BUY	2,000	1,607
7	08-Jul-24	BUY	2,000	1,648

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Accumulate	1,900	2,083
2	Axis Bank	BUY	1,350	1,048
3	Bank of Baroda	BUY	285	230
4	Can Fin Homes	BUY	860	660
5	City Union Bank	BUY	200	160
6	DCB Bank	BUY	155	113
7	Federal Bank	BUY	210	191
8	HDFC Asset Management Company	BUY	4,700	3,831
9	HDFC Bank	BUY	1,950	1,758
10	ICICI Bank	BUY	1,550	1,288
11	IndusInd Bank	Hold	860	676
12	Kotak Mahindra Bank	BUY	2,230	2,038
13	LIC Housing Finance	BUY	650	566
14	Nippon Life India Asset Management	BUY	725	545
15	State Bank of India	BUY	900	747
16	Union Bank of India	BUY	140	119
17	UTI Asset Management Company	BUY	1,320	1,035

**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

## **ANALYST CERTIFICATION**

### **(Indian Clients)**

We/I, Mr. Gaurav Jani- CA, Passed CFA Level II, Mr. Aditya Modani- CA, Passed CFA Level II, Ms. Harshada Gite- CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

### **(US Clients)**

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

## **DISCLAIMER**

### **Indian Clients**

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at [www.plindia.com](http://www.plindia.com).

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Gaurav Jani- CA, Passed CFA Level II, Mr. Aditya Modani- CA, Passed CFA Level II, Ms. Harshada Gite- CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

### **US Clients**

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

**Prabhudas Lilladher Pvt. Ltd.**

**3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209**

**[www.plindia.com](http://www.plindia.com)**