

# HDFC Bank Ltd (HDFCB IN)

Continues to navigate towards growth

**HDFC Bank reported 4Q net profit of Rs 176bn +5% QoQ/+7% YoY, a 4% beat vs consensus estimates. This was primarily driven by better margins but also strong cost control and benign asset quality. The bank continued to drive moderation in CD ratio currently at 96.5% (3Q: 98.2%) as loans growth (+4 QoQ/ +5% YoY) continued to be lower than deposits growth (+6% QoQ/+14% YoY). NIM improved to 3.46% (3.54% including tax refund) vs 3.43% prior quarter. Non-II was also robust driven by better fees (+4% QoQ) and stronger treasury income. Opex growth was disciplined at -2% YoY. Credit costs were lower at 48bps (50bps prior quarter). We rate HDFC bank as BUY. The bank is likely to continue to deliver robust ~1.8% returns (despite industry headwinds) with stable margins, strong cost control and benign asset quality. We view the bank will be able to navigate to < 90% CD ratio by FY27 which will help it put the 'growth' back on its agenda.**

**CD ratio continues to moderate.** CD ratio has decreased from high of 110% in 3Q24 to currently 96.5%. Loan growth registered at +5.4% YoY/ +4.0% QoQ and was driven by stronger CRB (better business banking, commercial transportation and Agri). Deposit growth at 14.1% YoY/ +5.9% QoQ, remains ahead of loans growth. CASA ratio (period end) improved to 34.8% (vs 34.0% prior quarter). We view loans growth will improve to 11%/14% in next two years with the rate easing cycle but will remain below deposits growth of 16%/18%. This will enable the bank to reach CD ratio of 89% by FY27.

**Margins are stable and range bound.** NIMs inched up +3bps QoQ to 3.46% (+11bps including the tax refund). The bank has been able to keep the margins range bound between 3.4%-3.5% since the last seven quarters, as it replaces high-cost borrowings which have reduced to 14% of liabilities (vs 21% post-merger). Also, mgmt. has been selective on taking non-retail deposits and large corporate loans where spreads have been non-conducive. We view NIMs will remain around ~3.45% for the next two years as the bank continues to replace legacy high-cost borrowings with deposits and low cost infra borrowings.

**Cost growth remains disciplined.** Cost to income ratio fell below 40% to 39.8% as opex growth printed at -2%YoY/+3%QoQ. We think costs growth will remain below operating income growth as the bank continues to realise productivity from its branches and other investments.

**Asset quality continues to be benign.** Credit costs improved to 48bps (vs 50 bps prior quarter). GNPA/NPA ratio decreased 1.33%/0.43% (vs 1.42%/0.46% prior quarter) driven by the improvement in Agri (seasonal KCC stress last quarter) and Corporate. Overall, we think there would still be some upwards normalisation in credit costs which should peak by FY26E.

**Consistent returns despite the rate cuts. BUY.** The stock has had strong performance recently, touching recording highs. However, it's likely to continue to re-rate as the path to growth continues to unravel with the moderation in CD ratio. As the bank's margin will continue to remain stable, it will enjoy consistent ~1.8% ROA returns amidst industry headwinds.

Y/E Mar (Rs bn)	Q4FY25	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	Q4FY25E	Var (%)
Net Interest Income	321	291	10.3%	307	4.6%	313	2.5%
Other Income	120	182	-33.8%	115	5.0%	123	-2.1%
<b>Operating Income</b>	<b>441</b>	<b>472</b>	<b>-6.7%</b>	<b>421</b>	<b>4.7%</b>	<b>436</b>	<b>1.2%</b>
Opex	176	180	-2.3%	171	2.6%	177	-0.7%
<b>Pre Provisions Profit</b>	<b>265</b>	<b>293</b>	<b>-9.4%</b>	<b>250</b>	<b>6.1%</b>	<b>259</b>	<b>2.5%</b>
Provisions	32	135	-76.4%	32	1.2%	32	-1.5%
<b>PBT</b>	<b>233</b>	<b>158</b>	<b>48.1%</b>	<b>218</b>	<b>6.9%</b>	<b>227</b>	<b>3.0%</b>
Tax	57	-7	na	51	12.1%	58	-0.4%
<b>PAT</b>	<b>176</b>	<b>165</b>	<b>6.7%</b>	<b>167</b>	<b>5.3%</b>	<b>169</b>	<b>4.2%</b>

NIM	3.54%	3.40%	0.14%	3.43%	0.11%		
Loans	26,435	25,078	5.4%	25,426	4.0%		
Deposits	27,147	23,798	14.1%	25,638	5.9%		
GNPA (%)	1.3%	1.2%	0.1%	1.4%	-0.1%	1.4%	-0.1%
NNPA (%)	0.4%	0.3%	0.1%	0.5%	0.0%	0.5%	0.0%
Credit Costs (bps)	48	42	6	50	-2	51	-3

Source: Company, SMIFS Research; Q4FY25E numbers are for consensus; 4Q24 reported credit costs are excluding floating provisions

(Rs b)	Op. Income	% YoY	PPOP	% YoY	PAT	% YoY	P/E	P/B (x)	ROA (%)	ROE(%)
<b>FY23</b>	1,181	16%	704	10%	441	19%	20.3	3.2	1.95%	17.0%
<b>FY24</b>	1,578	34%	944	34%	608	38%	16.9	2.5	1.79%	14.8%
<b>FY25</b>	1,683	7%	1,001	6%	673	11%	21.6	2.9	1.79%	14.3%
<b>FY26E</b>	1,875	11%	1,125	12%	741	10%	19.7	2.6	1.79%	14.0%
<b>FY27E</b>	2,116	13%	1,276	13%	844	14%	17.3	2.3	1.80%	14.3%

Source: Company, SMIFS Research Estimates. PPOP = Pre- Provision Operating Profit



Rating: **BUY** Upside: **15%**  
Current Price: **1,906** Target Price: **2,200**

## | Market data

Bloomberg:	HDFCB: IN
52-week H/L (Rs):	1,919/1,430.1
Mcap (Rs bn/USD bn):	14,589.3/170.8
Shares outstanding (Mn):	7,652
Free float:	99.1%
Face Value (Rs):	1

Source: Bloomberg, NSE, SMIFS Research

## | Shareholding pattern (%)

	Mar-25	Dec-24	Sep-24	Jun-24
Promoter	-	-	-	-
FII's	48.30	49.21	48.02	47.17
DII's	35.68	34.37	35.05	35.20
Public/others	16.02	16.41	16.93	17.62

## | Promoter pledging (%)

Pledging	-	-	-	-
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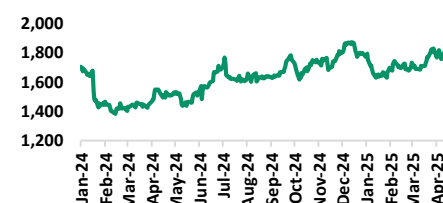
Source: BSE

## | Price performance (%)

	1M	3M	12M	36M
Nifty 500	6.9%	0%	6.2%	43.2%
Nifty Banks	12.3%	11.8%	14.3%	44.9%
HDFC Bank	11.4%	16.4%	26.3%	30.1%

\*as on 17th Apr 2025; Source: Bloomberg, SMIFS Research

## | Share Price (%)



\*as on 17th Apr 2025; Source: Ace Equity, SMIFS Research

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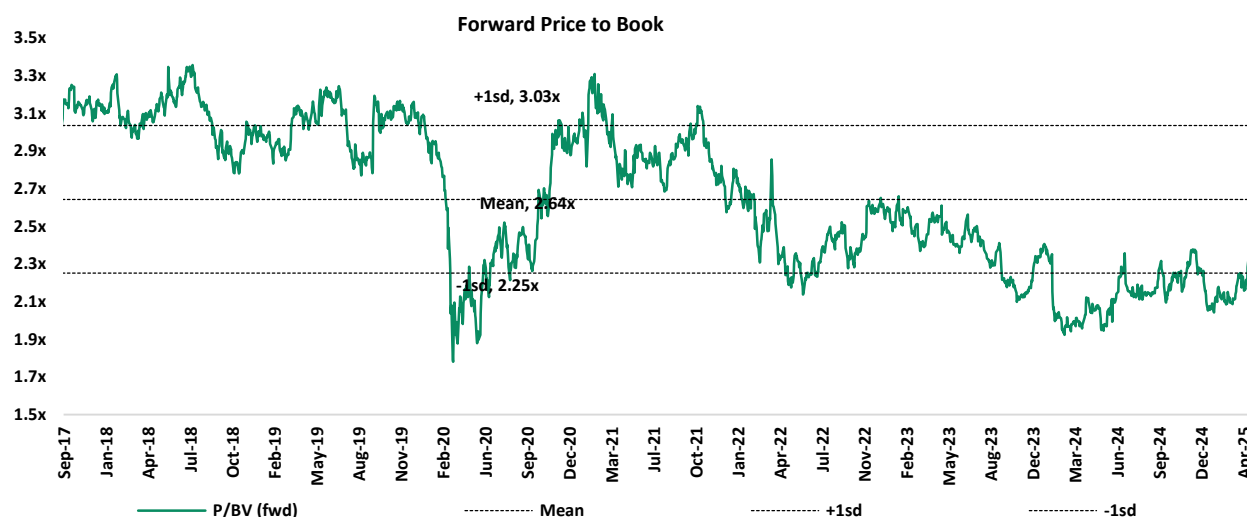
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## Valuation

**We recommend Buy with a target price of Rs. 2,200.** We value standalone bank at Rs 1920, implying P/B of 2.36x on Mar-27 forward book (delivered by our Excess return model), plus subsidiaries at Rs 280.

**Fig 1: Forward Price to book vs ROE**



Source: Company, Bloomberg, SMIFS Research Estimates; \* Not excluded subs from forward price for PB calculation

### Risks to our call:

- [1] Slower deposit growth vs credit growth, pushing the growth agenda to later periods
- [2] Higher than anticipated credit costs, resulting in lower returns
- [3] Higher than expected impact on NIMs due to the rate cuts

## Analyst Call highlights

### Loans

- In terms of the PSLC lending, though the bank meets the overall minimum requirement, for certain sections like small and marginal farmers and weaker sections, the bank fulfils the shortfall (~1%) inorganically.

### Deposits

- The management believes that deposit rate is not a major differentiator as the deposit rates of major 5-6 peers behave in an almost similar manner. The key differentiator is a bank's reach and penetration. Hence, the management will continue focussing on improving its reach and network to improve deposit mobilisation.
- The total deposit market share of the bank is ~11%. The share of the bank in CASA and time deposits also is around the same 11% levels currently. The goal of the bank is to pre-dominantly increase its wallet share among its customers. Further, the bank will also continue to focus on gaining market share in deposits which will depend disposable income in the hands of the customers, how inflation plays out, wage growth and market returns.
- In terms of the non-retail deposits, the management though had chosen to cede certain business, will continue to accept certain non-retail deposits from large customers so as to maintain a banking relationship and gain more wallet share from such customers.

### NIM

- The NIMs for the bank for FY25 operated in a narrow band ranging between 3.4% to 3.5%. The cost of funds has remained stable at ~4.9% mainly driven by two factors. There has been a reduction in borrowing mix (down to 14% in Q4FY25 vs 18% in Q4FY24 and 21% in Q3FY24). Further, the bank maintained the cost of funds by selecting retail deposits and not pricing up on the non-retail deposits since the pricing was deemed to be unsustainably high and extremely competitive without consideration for liquidity and lendable value of these deposits.
- The bank also faced certain headwinds in terms of customer preference for term deposits which have been growing at a very healthy rate. This has led to the CASA ratio mix being unfavourable. Hence, the bank had to cede business in the non-retail deposit front to support the margins.
- The yields on advances have remained stable over the course of the last 18 months in the range of 8.3% to 8.4%. The loan spreads in the corporate advances were extremely limited and tight. The bank was selective on the corporate advances front to protect its yields on advances. Further, the bank managed to achieve a balanced growth between higher yielding retail advances and lower yielding non retail advances which helped it maintain its yields at acceptable credit cost levels.

### Asset quality

- Out of the total personal loans ~75-80% are exposure to salaried individuals, The balance advances are to self-employed individuals. Further, the bank has not experienced any significant stress across any category of customers in the personal loan segment.

### CD Ratio

- The bank has managed to bring down its CD ratio from the highs seen after the merger (from 110% to 96% at the end of Q4FY25), as guided earlier. Going forward, in FY26, the bank will continue to focus on keep its CD on a downward trajectory, however, the reduction already achieved will provide the bank some room to focus on loan growth thus, the adjustment will not be as steep as that seen during FY25. The management iterated its commitment to bring down LDR in the pre-merger range of 87-90% or below 90% by FY27.

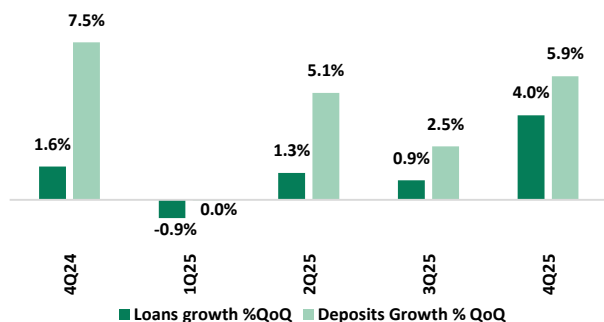
### Other highlights

- The bank expects the GDP to be supported by an increase in the rural spending, discretionary customer demand and investment activity.

## Key Charts

**Fig 2: Deposit growth is higher than loans growth for last five quarters**

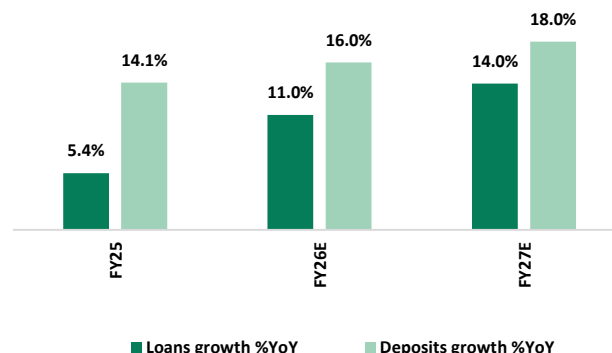
Loans growth vs Deposit Growth %QoQ



Source: Company, SMIFS Research

**Fig 3: We expect loans growth to continue to be lower than deposits growth**

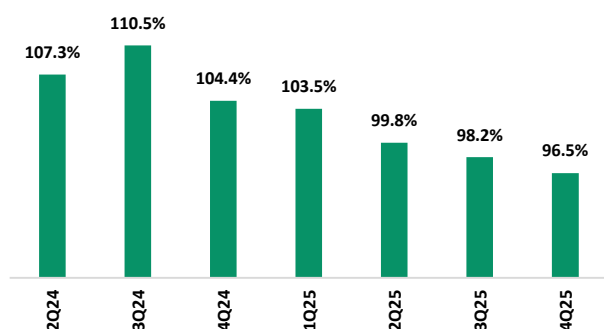
Loans growth vs Deposits growth %YoY



Source: Company, SMIFS Research Estimates

**Fig 4: CD ratio continues to moderate**

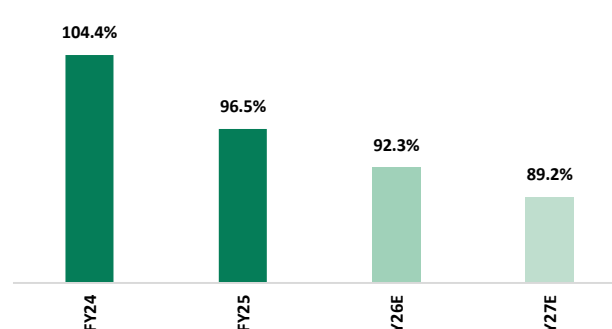
CD ratio



Source: Company, SMIFS Research

**Fig 5: We expect it to be below 90% by FY27E**

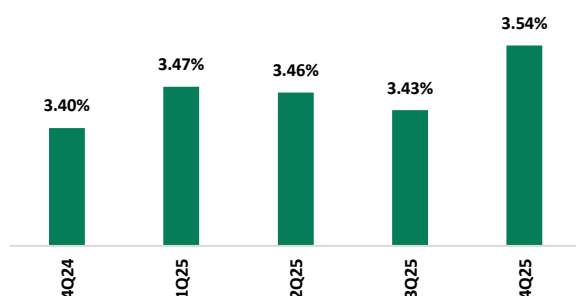
CD ratio



Source: Company, SMIFS Research Estimates

**Fig 6: NIM remains stable and range bound between 3.4% - 3.5%**

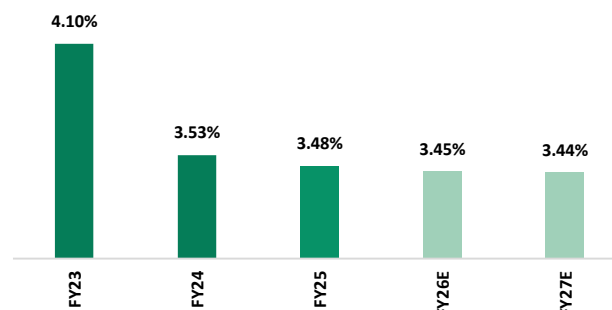
NIM



Source: Company, SMIFS Research; 4Q NIM ex tax refund was 3.46%

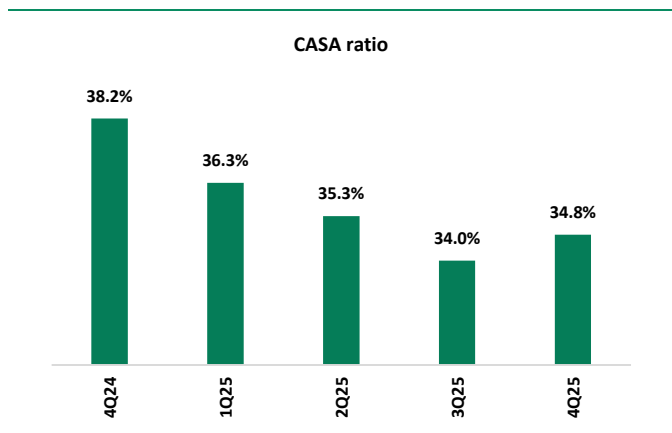
**Fig 7: ...which is likely to persist with the replacement of high-cost borrowings**

NIM



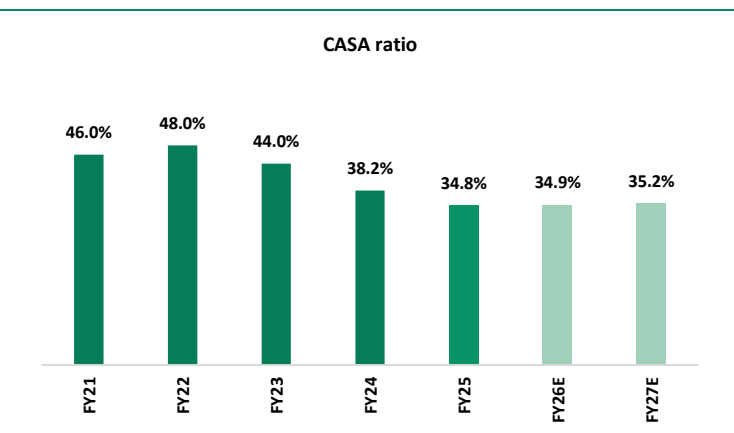
Source: Company, SMIFS Research

**Fig 8: CASA ratio (period end) has started improving since 4Q24**



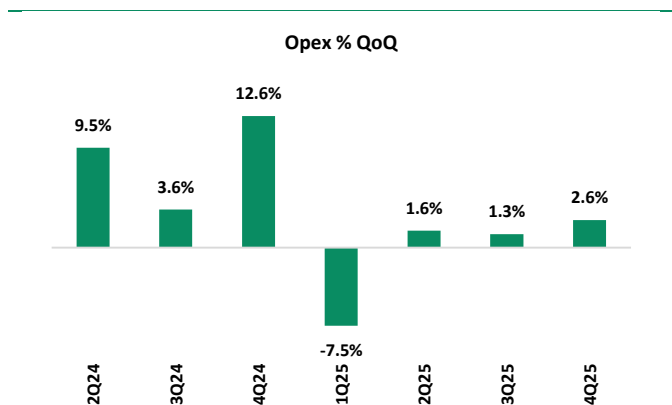
Source: Company, SMIFS Research

**Fig 9: CASA ratio will further improve with the rate cuts**



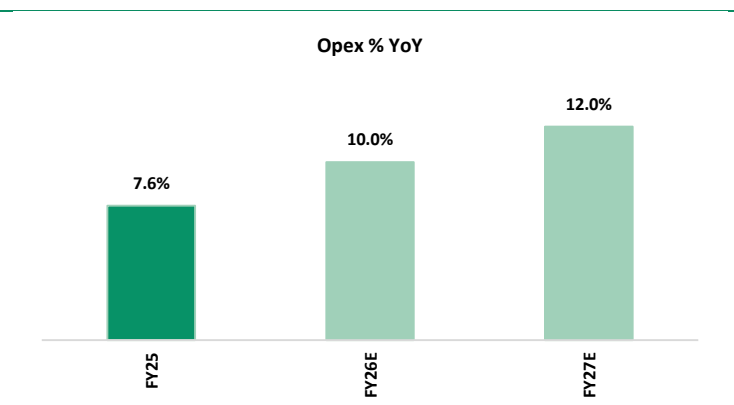
Source: Company, SMIFS Research Estimates

**Fig 10: Opex growth has been quite disciplined**



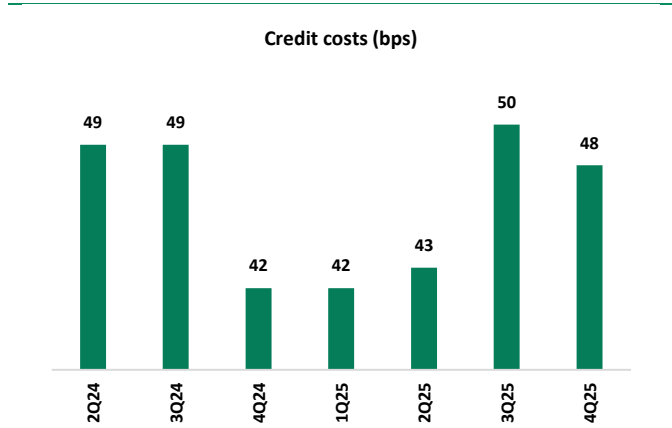
Source: Company, SMIFS Research

**Fig 11: ... which is likely to continue and remain below operating income growth**



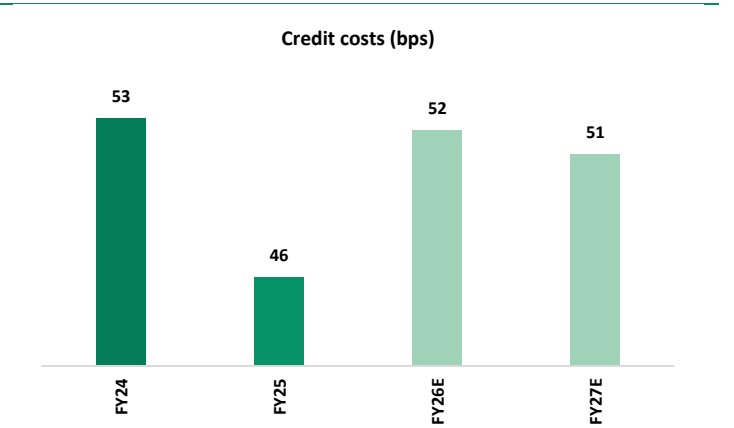
Source: Company, SMIFS Research

**Fig 12: Credit costs remain benign**



Source: Company, SMIFS Research

**Fig 13: We think credit costs would peak by FY26E**



Source: Company, SMIFS Research Estimates

## Financial Statements

**Fig 14: HDFC Bank Income Statement, Balance Sheet and Key Figures on Annual Basis**

Income Statement					
INR bn	FY23	FY24	FY25	FY26E	FY27E
Interest Income	1,616	2,583	3,005	3,178	3,539
Interest Expense	747	1,498	1,778	1,824	2,000
<b>Net Interest Income</b>	<b>868</b>	<b>1,085</b>	<b>1,227</b>	<b>1,353</b>	<b>1,539</b>
Non-Interest Income	312	492	456	522	577
<b>Operating Income</b>	<b>1,181</b>	<b>1,578</b>	<b>1,683</b>	<b>1,875</b>	<b>2,116</b>
Employee expenses	155	222	239	263	294
Other expenses	321	411	443	487	545
<b>Operating expenses</b>	<b>477</b>	<b>634</b>	<b>682</b>	<b>750</b>	<b>840</b>
<b>Operating profit</b>	<b>704</b>	<b>944</b>	<b>1,001</b>	<b>1,125</b>	<b>1,276</b>
Provisions	119	235	116	144	159
<b>PBT</b>	<b>585</b>	<b>709</b>	<b>885</b>	<b>981</b>	<b>1,118</b>
Tax	144	101	211	240	274
<b>PAT</b>	<b>441</b>	<b>608</b>	<b>673</b>	<b>741</b>	<b>844</b>

Basic EPS (₹)	79.25	85.83	88.29	96.81	110.26
DPS (₹)	19.00	19.50	22.00	23.00	26.50
Payout Ratio	24.0%	22.7%	24.9%	23.8%	24.0%

Source: Company, SMIFS Research

Balance Sheet					
INR bn	FY23	FY24	FY25	FY26E	FY27E
Cash & bal. with RBI	1,172	1,787	1,444	1,669	1,969
Balance with Banks	766	405	952	1,102	1,301
Investments	5,170	7,024	8,364	9,762	11,519
Advances	16,006	24,849	26,196	29,074	33,145
Fixed Assets	80	114	137	157	165
Other Assets	1,467	1,998	2,010	2,030	2,050
<b>Total Assets</b>	<b>24,661</b>	<b>36,176</b>	<b>39,102</b>	<b>43,795</b>	<b>50,150</b>

Capital	6	8	8	8	8
ESOP	0	27	38	38	38
Reserves and Surplus	2,796	4,368	4,969	5,533	6,174
<b>Total Equity</b>	<b>2,802</b>	<b>4,402</b>	<b>5,014</b>	<b>5,579</b>	<b>6,220</b>
Deposits	18,834	23,798	27,147	31,491	37,159
Borrowings	2,068	6,622	5,479	5,132	4,986
Other Liabilities	957	1,354	1,461	1,593	1,784
<b>Total Liabilities</b>	<b>21,859</b>	<b>31,774</b>	<b>34,088</b>	<b>38,216</b>	<b>43,929</b>

BVPS (₹)	502.2	579.5	655.3	729.1	812.8
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Source: Company, SMIFS Research

Ratios & Key Figures					
%	FY23	FY24	FY25	FY26E	FY27E
<b>CD and CASA Ratio</b>					
CASA Ratio	44%	38%	35%	35%	35%
CD Ratio (LDR)	85.0%	104.4%	96.5%	92.3%	89.2%
<b>Margins</b>					
Reported NIM (on assets)	4.10%	3.53%	3.48%	3.45%	3.44%
Calculated NIMs (on AIEA)	4.30%	3.54%	3.62%	3.59%	3.58%
Yield on Int ear assets	8.0%	8.4%	8.9%	8.4%	8.2%
Cost of funds	3.9%	5.3%	5.6%	5.3%	5.1%
<b>P&amp;L Ratios</b>					
Core fees % Non-II	76%	57%	70%	70%	72%
Non-II Ratio	26%	31%	27%	28%	27%
Staff costs % opex	33%	35%	35%	35%	35%
CTI	40%	40%	41%	40%	40%
Tax Rate	25%	14%	24%	25%	25%

<b>Capital Ratios</b>					
CET 1 Ratio	16.4%	16.3%	17.2%	17.4%	17.1%
Tier 1 Ratio	17.1%	16.8%	17.7%	17.9%	17.6%
Capital Adequacy Ratio (%)	19.3%	18.8%	19.6%	19.8%	19.5%
RWA % Assets	64.0%	68.0%	68.0%	67.5%	67.5%

Source: Company, SMIFS Research

Growth % YoY					
	FY23	FY24	FY25	FY26E	FY27E
Interest Income	26.5%	59.9%	16.3%	5.7%	11.4%
Interest Expense	34.1%	100.4%	18.7%	2.6%	9.6%
<b>Net Interest Income</b>	<b>20.6%</b>	<b>25.0%</b>	<b>13.0%</b>	<b>10.3%</b>	<b>13.7%</b>
Non-Interest Income	5.8%	57.7%	-7.3%	14.3%	10.6%
<b>Operating Income</b>	<b>16.3%</b>	<b>33.6%</b>	<b>6.7%</b>	<b>11.4%</b>	<b>12.9%</b>
Employee expenses	28.9%	43.4%	7.5%	10.0%	12.0%
Other expenses	26.5%	28.0%	7.6%	10.0%	12.0%
<b>Operating expenses</b>	<b>27.3%</b>	<b>33.0%</b>	<b>7.6%</b>	<b>10.0%</b>	<b>12.0%</b>
<b>Operating profit</b>	<b>9.9%</b>	<b>34.1%</b>	<b>6.1%</b>	<b>12.4%</b>	<b>13.4%</b>
Provisions	-20.9%	97.1%	-50.4%	23.4%	10.4%
<b>PBT</b>	<b>19.3%</b>	<b>21.2%</b>	<b>24.8%</b>	<b>10.9%</b>	<b>13.9%</b>
Tax	19.3%	-29.9%	109.6%	13.8%	13.9%
<b>PAT</b>	<b>19.3%</b>	<b>37.9%</b>	<b>10.7%</b>	<b>10.0%</b>	<b>13.9%</b>

Basic EPS (₹)	18.6%	8.3%	2.9%	9.7%	13.9%
DPS (₹)	22.6%	2.6%	12.8%	4.5%	15.2%
Payout Ratio	0.8%	-1.3%	2.2%	-1.2%	0.3%

Source: Company, SMIFS Research

Growth % YoY					
	FY23	FY24	FY25	FY26E	FY27E
Cash and bal. with RBI	-9.9%	52.5%	-19.2%	15.6%	18.0%
Balance with Banks	243.0%	-47.2%	135.3%	15.8%	18.0%
Investments	13.5%	35.9%	19.1%	16.7%	18.0%
Advances	16.9%	55.2%	5.4%	11.0%	14.0%
Fixed Assets	31.8%	42.2%	19.8%	15.0%	5.0%
Other Assets	71.1%	36.2%	0.6%	1.0%	1.0%
<b>Total Assets</b>	<b>19.2%</b>	<b>46.7%</b>	<b>8.1%</b>	<b>12.0%</b>	<b>14.5%</b>

Capital	0.6%	36.2%	0.7%	0.0%	0.0%
ESOP			43.4%	0.0%	0.0%
Reserves and Surplus	16.7%	56.2%	13.7%	11.4%	11.6%
<b>Total Equity</b>	<b>16.7%</b>	<b>57.1%</b>	<b>13.9%</b>	<b>11.3%</b>	<b>11.5%</b>
Deposits	20.8%	26.4%	14.1%	16.0%	18.0%
Borrowings	11.9%	220.2%	-17.3%	-6.3%	-2.8%
Other Liabilities	13.4%	41.5%	7.9%	9.0%	12.0%
<b>Total Liabilities</b>	<b>19.5%</b>	<b>45.4%</b>	<b>7.3%</b>	<b>12.1%</b>	<b>15.0%</b>

BVPS (₹)	16.0%	15.4%	13.1%	11.3%	11.5%
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Source: Company, SMIFS Research

Ratios & Key Figures					
%	FY23	FY24	FY25	FY26E	FY27E
<b>Asset Quality</b>					
Gross NPA Ratio	1.12%	1.24%	1.33%	1.37%	1.35%
Net NPA Ratio	0.27%	0.33%	0.43%	0.44%	0.44%
PCR	75.8%	74.0%	67.9%	68.0%	68.0%
Slippage ratio	1.65%	1.97%	1.25%	1.32%	1.31%
Credit costs (% of avg loans)	0.80%	1.00%	0.46%	0.52%	0.51%
<b>Returns</b>					
ROA	1.95%	1.79%	1.79%	1.79%	1.80%
ROE	17.0%	14.8%	14.3%	14.0%	14.3%

<b>Valuation</b>					
P/B	3.21x	2.50x	2.91x	2.61x	2.34x
P/E	20.3x	16.9x	21.6x	19.7x	17.3x
Div. Yield	1.2%	1.3%	1.2%	1.2%	1.4%

**Fig 15: HDFC Bank Income Statement, Balance Sheet and Key Figures on Quarterly Basis**

Income Statement					
INR bn	4Q24	1Q25	2Q25	3Q25	4Q25
Interest Income	715	730	740	760	775
Interest Expense	424	432	439	454	454
<b>Net Interest Income</b>	<b>291</b>	<b>298</b>	<b>301</b>	<b>307</b>	<b>321</b>
Non-Interest Income	182	107	115	115	120
<b>Operating Income</b>	<b>472</b>	<b>405</b>	<b>416</b>	<b>421</b>	<b>441</b>
Employee expenses	69	58	60	60	61
Other expenses	110	108	109	112	114
<b>Operating expenses</b>	<b>180</b>	<b>166</b>	<b>169</b>	<b>171</b>	<b>176</b>
<b>Operating profit</b>	<b>293</b>	<b>239</b>	<b>247</b>	<b>250</b>	<b>265</b>
Provisions	135	26	27	32	32
<b>PBT</b>	<b>158</b>	<b>213</b>	<b>220</b>	<b>218</b>	<b>233</b>
Tax	-7	51	52	51	57
<b>PAT</b>	<b>165</b>	<b>162</b>	<b>168</b>	<b>167</b>	<b>176</b>

Basic EPS (₹) 21.74 21.28 22.08 21.90 23.03

Source: Company, SMIFS Research

Balance Sheet					
INR bn	4Q24	1Q25	2Q25	3Q25	4Q25
Cash and bal. with RBI	1,787	1,447	1,945	1,446	1,444
Balance with Banks	405	371	619	756	952
Investments	7,024	7,088	7,240	8,119	8,364
Advances	24,849	24,635	24,951	25,182	26,196
Fixed Assets	114	120	128	129	137
Other Assets	1,998	2,010	1,998	1,958	2,010
<b>Total Assets</b>	<b>36,176</b>	<b>35,672</b>	<b>36,881</b>	<b>37,590</b>	<b>39,102</b>
Capital	8	8	8	8	8
ESOP	27	31	32	34	38
Reserves and Surplus	4,368	4,549	4,595	4,789	4,969
<b>Total Equity</b>	<b>4,402</b>	<b>4,587</b>	<b>4,635</b>	<b>4,830</b>	<b>5,014</b>
Deposits	23,798	23,791	25,001	25,638	27,147
Borrowings	6,622	5,993	5,856	5,702	5,479
Other Liabilities	1,354	1,301	1,390	1,419	1,461
<b>Total Liabilities</b>	<b>31,774</b>	<b>31,086</b>	<b>32,246</b>	<b>32,759</b>	<b>34,088</b>

BVPS (₹) 579.5 602.9 607.4 631.5 655.3

Source: Company, SMIFS Research

Ratios & Key Figures					
%	4Q24	1Q25	2Q25	3Q25	4Q25
<b>CD and CASA Ratio</b>					
CASA Ratio	38%	36%	35%	34%	35%
CD Ratio (LDR)	104.4%	103.5%	99.8%	98.2%	96.5%
<b>Margins</b>					
Reported NIM (on asset)	3.40%	3.47%	3.46%	3.43%	3.54%
Calculated NIMs (on AIEA)	3.64%	3.71%	3.71%	3.67%	3.69%
Yield on Int ear assets	8.9%	9.1%	9.1%	9.1%	8.9%
Cost of funds	5.7%	5.7%	5.8%	5.8%	5.7%
<b>P&amp;L Ratios</b>					
Core fees % Non-II	44%	66%	71%	72%	71%
Non-II Ratio	38%	26%	28%	27%	27%
Staff costs % opex	39%	35%	35%	35%	35%
CTI	38%	41%	41%	41%	40%
Tax Rate	-5%	24%	24%	23%	25%

Capital Ratios					
CET 1 Ratio	16.3%	16.8%	17.3%	17.5%	17.2%
Tier 1 Ratio	16.8%	17.3%	17.8%	18.0%	17.7%
Capital Adequacy Ratio (%)	18.8%	19.3%	19.8%	20.0%	19.6%
RWA % Assets	68.0%	69.0%	67.0%	67.0%	68.0%

Source: Company, SMIFS Research

Growth % qoq					
	4Q24	1Q25	2Q25	3Q25	4Q25
Interest Income	1.3%	2.2%	1.3%	2.7%	1.9%
Interest Expense	0.7%	1.9%	1.6%	3.3%	0.1%
<b>Net Interest Income</b>	<b>2.1%</b>	<b>2.6%</b>	<b>0.9%</b>	<b>1.8%</b>	<b>4.6%</b>
Non-Interest Income	63.1%	-41.3%	7.6%	-0.3%	5.0%
<b>Operating Income</b>	<b>19.3%</b>	<b>-14.3%</b>	<b>2.7%</b>	<b>1.2%</b>	<b>4.7%</b>
Employee expenses	29.6%	-15.7%	2.3%	-0.6%	2.8%
Other expenses	4.0%	-2.4%	1.2%	2.3%	2.6%
<b>Operating expenses</b>	<b>12.6%</b>	<b>-7.5%</b>	<b>1.6%</b>	<b>1.3%</b>	<b>2.6%</b>
<b>Operating profit</b>	<b>23.8%</b>	<b>-18.4%</b>	<b>3.4%</b>	<b>1.2%</b>	<b>6.1%</b>
Provisions	220.4%	-80.7%	3.8%	16.8%	1.2%
<b>PBT</b>	<b>-18.9%</b>	<b>35.0%</b>	<b>3.4%</b>	<b>-0.7%</b>	<b>6.9%</b>
Tax	-124.5%	-781.7%	1.5%	-1.4%	12.1%
<b>PAT</b>	<b>0.9%</b>	<b>-2.0%</b>	<b>4.0%</b>	<b>-0.5%</b>	<b>5.3%</b>

Basic EPS (₹) 0.7% -2.1% 3.8% -0.8% 5.2%

Source: Company, SMIFS Research

Growth % qoq					
	4Q24	1Q25	2Q25	3Q25	4Q25
Cash and bal. with RBI	39.7%	-19.0%	34.4%	-25.7%	-0.1%
Balance with Banks	-18.4%	-8.2%	66.6%	22.2%	25.9%
Investments	4.1%	0.9%	2.1%	12.1%	3.0%
Advances	1.6%	-0.9%	1.3%	0.9%	4.0%
Fixed Assets	10.0%	5.5%	6.7%	0.3%	6.1%
Other Assets	8.7%	0.6%	-0.6%	-2.0%	2.6%
<b>Total Assets</b>	<b>3.6%</b>	<b>-1.4%</b>	<b>3.4%</b>	<b>1.9%</b>	<b>4.0%</b>
Capital	0.1%	0.1%	0.3%	0.2%	0.1%
ESOP	21.0%	15.2%	5.6%	5.2%	12.0%
Reserves and Surplus	4.2%	4.1%	1.0%	4.2%	3.8%
<b>Total Equity</b>	<b>4.2%</b>	<b>4.2%</b>	<b>1.0%</b>	<b>4.2%</b>	<b>3.8%</b>
Deposits	7.5%	0.0%	5.1%	2.5%	5.9%
Borrowings	-10.2%	-9.5%	-2.3%	-2.6%	-3.9%
Other Liabilities	14.1%	-3.9%	6.8%	2.1%	3.0%
<b>Total Liabilities</b>	<b>3.5%</b>	<b>-2.2%</b>	<b>3.7%</b>	<b>1.6%</b>	<b>4.1%</b>

BVPS (₹) 4.2% 4.0% 0.7% 4.0% 3.8%

Source: Company, SMIFS Research

Ratios & Key Figures					
%	4Q24	1Q25	2Q25	3Q25	4Q25
<b>Asset Quality</b>					
Gross NPA Ratio	1.24%	1.33%	1.36%	1.42%	1.33%
Net NPA Ratio	0.33%	0.39%	0.41%	0.46%	0.43%
PCR	74.0%	71.2%	69.9%	67.8%	67.9%
Slippage ratio	1.18%	1.28%	1.26%	1.40%	1.17%
Credit costs (% avg loans)	2.19%	0.42%	0.44%	0.50%	0.50%
<b>Returns</b>					
ROA	1.86%	1.80%	1.85%	1.80%	1.84%
ROE	15.3%	14.4%	14.6%	14.1%	14.3%

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