

**BUY****TP: Rs 1,200 | ▲ 29%****HDFC BANK**

| Banking

| 19 January 2026

## Asset quality remains pristine

- **PPoP in-line with our estimates; credit growth picks up, leading to an increase in CD ratio**
- **AQ remains pristine with healthy provision buffer (FP+CP) of Rs 371bn or 1.3% of net loans**
- **Maintain BUY. Raise SOTP-based TP to Rs 1,200 (from Rs 1,181) and roll over valuation to 2.5x Dec'27E ABV**

Niraj Jalan  
 Research Analyst  
 Vijiya Rao  
 Research Analyst  
 research@bobcaps.in

**PPoP in-line with our estimates:** PPoP at Rs 271bn (+8.4% YoY) was in line with our estimates. However, PAT at Rs 187bn (+11.5% YoY) beat our estimates by 3.5%, due to lower provisions at Rs 28bn (-10% YoY). NIMs improved to 3.35% (+8bps QoQ) on lower CoF at 5.3% (-21bps QoQ). RoA lever will be CoF as the high-cost borrowings will be replaced through term deposits and low-cost CASA.

**Credit growth picks up, leading to CD ratio increase:** HDFCB reported healthy net advance growth of 12% YoY as of Q3FY26; mainly driven by healthy growth in small and mid-market (+17% YoY), agri (+15% YoY), gold loans (+29% YoY), and corporate (+10% YoY), among others. Credit growth was mainly driven by easing rate cycle, benign credit conditions and CRR release. As a result, CD ratio increased to 98.7% (+63bps QoQ). We note no regulatory prescription to maintain a lower CD ratio. However, management remains focused on reducing the CD ratio to ensure sustainable profitability. The bank aims to report CD ratio in the ranges of 90%-96% (FY26) and 85%-90% (FY27). Management expects deposit growth to accelerate by expanding customer base and scaling-up of old branches. Around 50% of branches account for ~20% of incremental deposits, which are likely to increase to ~40-50%. Credit growth is expected to stay above system levels in FY27. We estimate loan CAGR of 13% in FY25-28E. We expect CD ratio to improve to ~95%/92% in FY26/FY27E.

**Asset quality remains pristine:** Absolute level of GNPAAs increased marginally to Rs 352bn (+2.6% QoQ), mainly due to rise in slippages to Rs 86bn (+16% QoQ) and decline in reductions to Rs 77bn (-24% QoQ). However, the bank's AQ remains pristine with stable GNPA ratio of 1.24% (flat QoQ). GNPA ratio (ex-agri) was 0.97% (-2bps QoQ). Further, HDFCB reported healthy provision buffer (FP+CP) of Rs 371bn or 1.3% of net loans. PCR remains healthy at 65.9% (-68bps QoQ).

**Maintain BUY:** We believe HDFCB has managed to outperform large private sector peers previously by effectively navigating business cycles, delivering stronger profitability and margins, coupled with better AQ. We maintain BUY with revised SOTP-based TP of Rs 1,200 (from Rs 1,181), set at 2.5x Dec'27E ABV.

## Key changes

	Target	Rating
	▲	◀ ▶

Ticker/Price	HDFCB IN/Rs 931
Market cap	US\$ 156.9bn
Free float	100%
3M ADV	US\$ 220.3mn
52wk high/low	Rs 1,021/Rs 813
Promoter/FPI/DII	0%/48%/37%

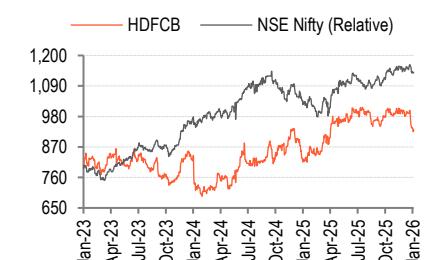
Source: NSE | Price as of 16 Jan 2026

## Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	12,26,701	12,96,759	15,14,678
NII growth (%)	13.0	5.7	16.8
Adj. net profit (Rs mn)	6,73,474	7,42,553	8,59,506
EPS (Rs)	44.2	48.4	55.9
Consensus EPS (Rs)	44.2	48.4	55.4
P/E (x)	21.1	19.2	16.7
P/BV (x)	2.8	2.6	2.3
ROA (%)	1.8	1.8	1.9
ROE (%)	14.3	14.0	14.5

Source: Company, Bloomberg, BOBCAPS Research

## Stock performance



Source: NSE



**Fig 1 – Quarterly snapshot: Income statement**

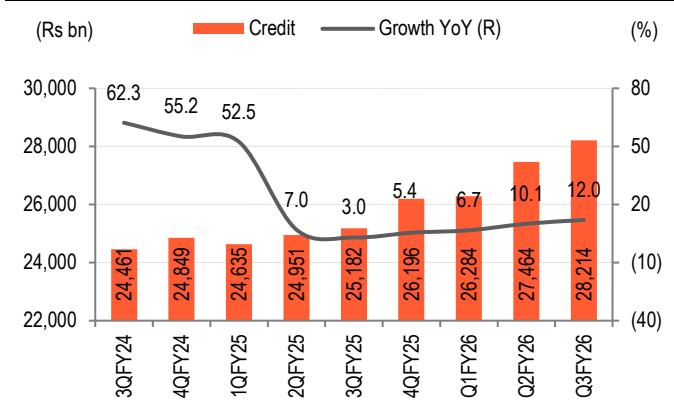
(Rs mn)	3QFY25	4QFY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
<b>Income Statement</b>							
Interest Income	5,99,240	6,04,158	6,01,926	5,92,648	5,99,538	0.0	1.2
Income on investments	1,37,171	1,44,272	1,50,701	1,52,855	1,46,658	6.9	(4.1)
Int. on bal. with RBI & inter-bank funds & Others	23,658	26,172	22,075	21,404	21,315	(9.9)	(0.4)
<b>Interest income</b>	<b>7,60,069</b>	<b>7,74,601</b>	<b>7,74,702</b>	<b>7,66,907</b>	<b>7,67,512</b>	<b>1.0</b>	<b>0.1</b>
Interest expense	4,53,536	4,53,943	4,60,322	4,51,392	4,41,362	(2.7)	(2.2)
<b>Net interest income</b>	<b>3,06,533</b>	<b>3,20,658</b>	<b>3,14,380</b>	<b>3,15,515</b>	<b>3,26,150</b>	<b>6.4</b>	<b>3.4</b>
Growth YoY (%)	7.66	10.28	5.37	4.77	6.40		
Fee Income	81,800	85,300	76,000	88,000	92,000	12.5	4.5
Trading gains/(losses)	700	3,900	1,01,000	24,000	9,000	1185.7	(62.5)
Forex Income	14,000	14,400	16,000	16,000	14,000	0.0	(12.5)
Others	18,036	16,679	24,298	15,500	17,538	(2.8)	13.1
<b>Non-interest income</b>	<b>1,14,536</b>	<b>1,20,279</b>	<b>2,17,298</b>	<b>1,43,500</b>	<b>1,32,538</b>	<b>15.7</b>	<b>(7.6)</b>
Growth YoY (%)	2.8	(33.8)	103.7	25.0	15.7		
<b>Total Income</b>	<b>4,21,068</b>	<b>4,40,937</b>	<b>5,31,678</b>	<b>4,59,015</b>	<b>4,58,688</b>	<b>8.9</b>	<b>(0.1)</b>
Growth YoY (%)	6.3	(6.7)	31.3	10.3	8.9		
Staff expenses	59,504	61,159	61,580	64,613	72,032	21.1	11.5
Other operating expenses	1,11,560	1,14,410	1,12,759	1,15,166	1,15,679	3.7	0.4
<b>Operating expenses</b>	<b>1,71,064</b>	<b>1,75,570</b>	<b>1,74,338</b>	<b>1,79,779</b>	<b>1,87,710</b>	<b>9.7</b>	<b>4.4</b>
<b>Pre-Provisioning Profit (PPoP)</b>	<b>2,50,004</b>	<b>2,65,367</b>	<b>3,57,340</b>	<b>2,79,236</b>	<b>2,70,978</b>	<b>8.4</b>	<b>(3.0)</b>
Growth YoY (%)	5.7	(9.4)	49.6	13.0	8.4		
Provisions	31,539	31,931	1,44,416	35,005	28,379	(10.0)	(18.9)
Growth YoY (%)	(25.2)	(76.4)	455.0	29.6	(10.0)		
PBT	2,18,466	2,33,437	2,12,923	2,44,231	2,42,599	11.0	(0.7)
Tax	51,111	57,275	31,371	57,818	56,062	9.7	(3.0)
<b>PAT</b>	<b>1,67,355</b>	<b>1,76,161</b>	<b>1,81,552</b>	<b>1,86,413</b>	<b>1,86,538</b>	<b>11.5</b>	<b>0.1</b>
Growth YoY (%)	2.2	6.7	12.2	10.8	11.5		
<b>Per Share</b>							
FV (Rs)	1.0	1.0	1.0	1.0	1.0	0.0	0.0
EPS (Rs)	10.9	11.5	11.8	12.1	12.1	10.9	(0.1)
Book Value (Rs)	316	328	342	341	354	12.0	3.7

Source: Company, BOBCAPS Research

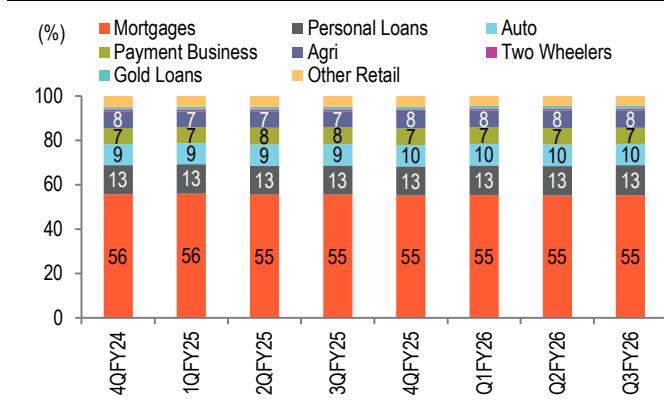
**Fig 2 – Quarterly snapshot: Balance sheet & other key metrics**

(Rs mn)	3QFY25	4QFY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
<b>Deposits</b>	2,56,37,950	2,71,47,149	2,76,40,890	2,80,17,888	2,86,00,546	11.6	2.1
Growth YoY (%)	15.8	14.1	16.2	12.1	11.6		
<b>Advances</b>	2,51,82,482	2,61,96,086	2,62,84,342	2,74,63,598	2,82,14,465	12.0	2.7
Growth YoY (%)	3.0	5.4	6.7	10.1	12.0		
Investment	81,18,535	83,63,597	89,66,635	87,43,213	87,82,567	8.2	0.5
Equity	48,30,209	50,14,246	52,41,737	52,39,450	54,39,934	12.6	3.8
Assets	3,75,89,645	3,91,01,989	3,95,40,767	4,00,30,084	4,08,89,873	8.8	2.1
Growth YoY (%)	7.6	8.1	10.8	8.5	8.8		
<b>Yield (%)</b>							
Yield on Funds	8.65	8.55	8.35	8.17	8.02	(64bps)	(15bps)
Cost of Funds	5.83	5.68	5.63	5.48	5.28	(56bps)	(21bps)
Spread	2.82	2.88	2.72	2.68	2.74	(8bps)	6bps
<b>Net Interest Margin</b>	<b>3.43</b>	<b>3.46</b>	<b>3.35</b>	<b>3.27</b>	<b>3.35</b>	<b>(8bps)</b>	<b>8bps</b>
<b>Ratios (%)</b>							
Other Income / Net Income	27.2	27.3	40.9	31.3	28.9	169bps	(237bps)
Cost to Income ratio	40.6	39.8	32.8	39.2	40.9	30bps	176bps
CASA ratio	34.0	34.8	33.9	33.9	33.6	(43bps)	(27bps)
C/D ratio	98.2	96.5	95.1	98.0	98.7	43bps	63bps
Investment to Assets	21.6	21.4	22.7	21.8	21.5	(12bps)	(36bps)
<b>Assets Quality</b>							
GNPA	3,60,186	3,52,226	3,70,408	3,42,895	3,51,790	(2.3)	2.6
NNPA	1,15,875	1,13,204	1,22,760	1,14,473	1,19,818	3.4	4.7
Provision	2,44,310	2,39,022	2,47,648	2,28,422	2,31,972	(5.1)	1.6
GNPA (%)	1.42	1.33	1.40	1.24	1.24	(18bps)	0bps
NNPA (%)	0.46	0.43	0.47	0.42	0.42	(4bps)	0bps
PCR (%)	67.83	67.86	66.86	66.62	65.94	(189bps)	(68bps)
<b>Others (Nos.)</b>							
Branches	9,143	9,455	9,499	9,545	9,616	5.2	0.7
ATMs	21,049	21,139	21,251	21,417	21,176	0.6	(1.1)
Employees	2,10,219	2,14,521	2,18,822	2,20,339	2,15,739	5,520	(4,600)

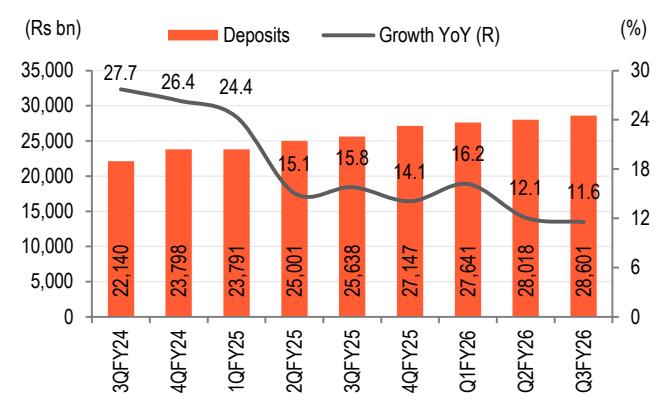
Source: Company, BOBCAPS Research

**Fig 3 – Credit growth improves to 12% YoY**

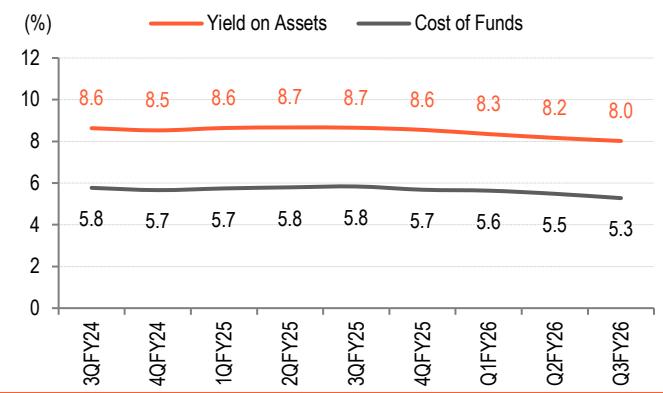
Source: Company, BOBCAPS Research

**Fig 4 – Retail loan mix %**

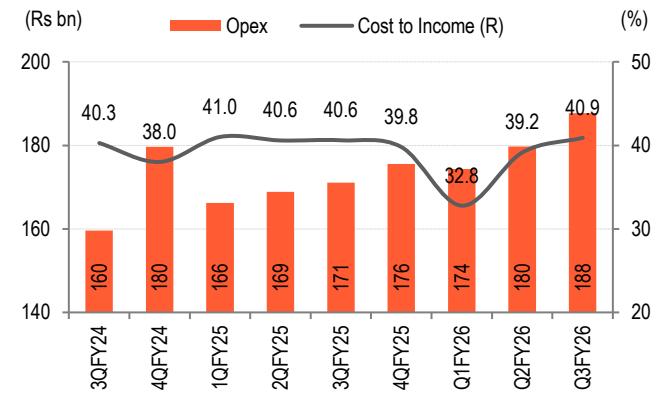
Source: Company, BOBCAPS Research

**Fig 5 – Deposits grows 11.6% YoY**

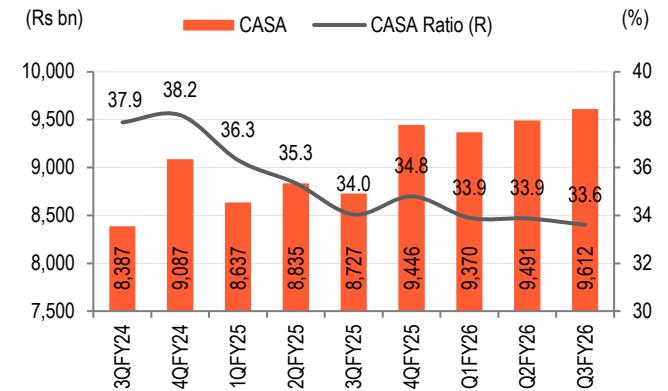
Source: Company, BOBCAPS Research

**Fig 7 – Yields declined due to repricing**

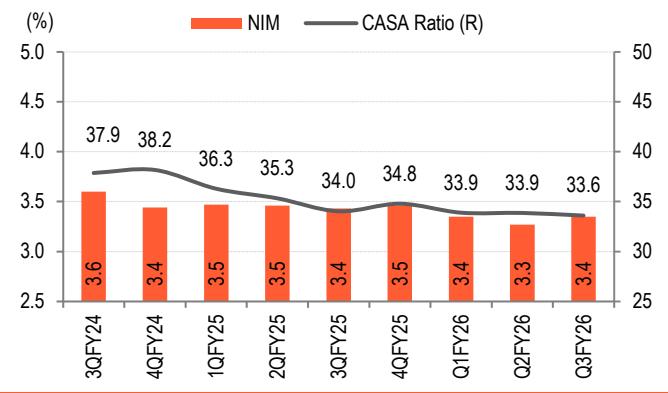
Source: Company, BOBCAPS Research

**Fig 9 – C/I ratio normalises close to its long-term trend**

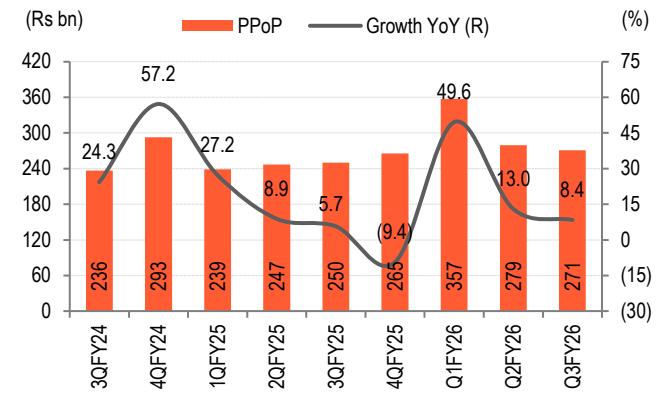
Source: Company, BOBCAPS Research

**Fig 6 – CASA at Rs 9.6trn; ratio healthy at 33.6%**

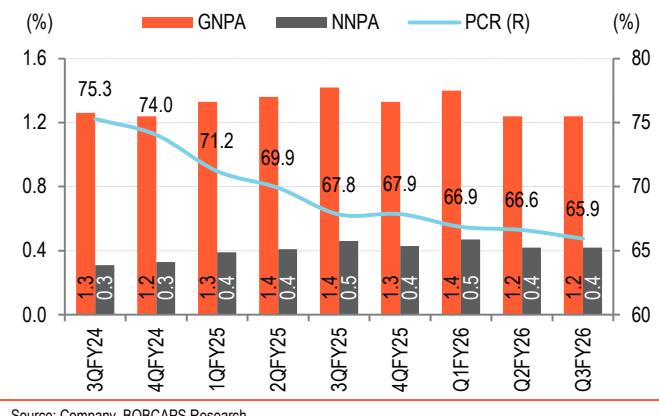
Source: Company, BOBCAPS Research

**Fig 8 – NIMs improved by 8bps QoQ due to lower CoF**

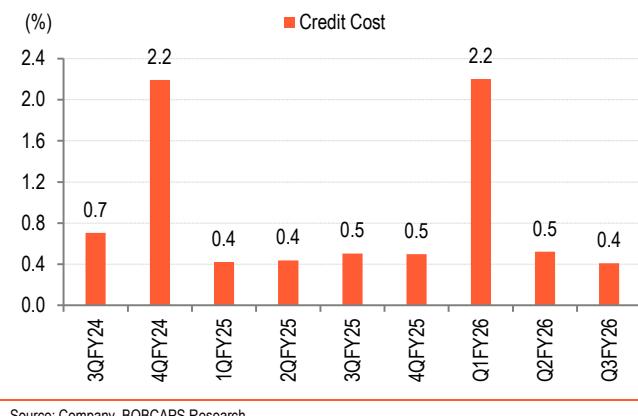
Source: Company, BOBCAPS Research

**Fig 10 – PPoP growth increases on YoY basis**

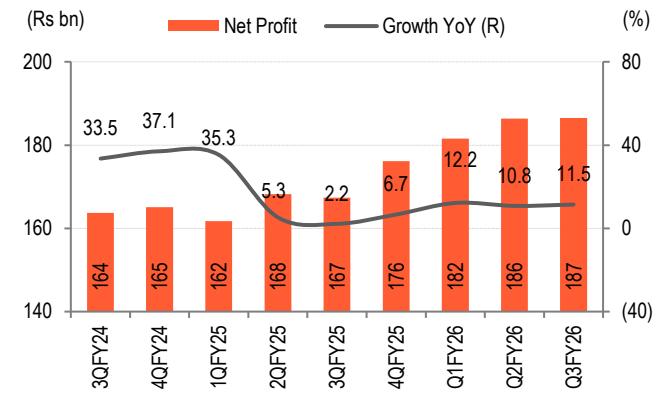
Source: Company, BOBCAPS Research

**Fig 11 – Asset quality remains resilient**

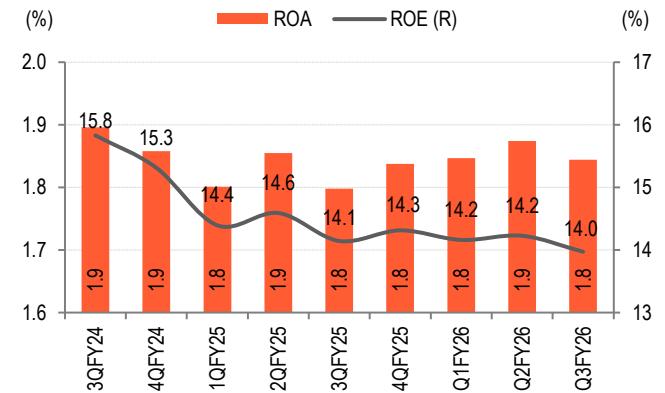
Source: Company, BOBCAPS Research

**Fig 12 – Credit cost improved QoQ**

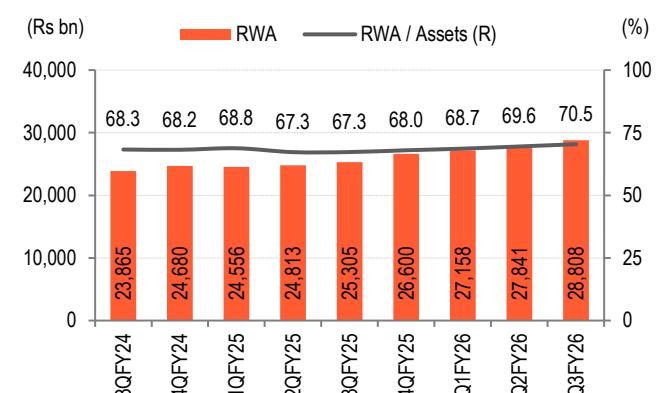
Source: Company, BOBCAPS Research

**Fig 13 – Net profit remained flat QoQ**

Source: Company, BOBCAPS Research

**Fig 14 – Return ratios continue to be healthy**

Source: Company, BOBCAPS Research

**Fig 15 – RWA/Assets marginally increases**

Source: Company, BOBCAPS Research | RWA: Risk-Weighted Asset

**Fig 16 – Well capitalised with CAR of 19.9%**

Source: Company, BOBCAPS Research

## Earnings Call Takeaways

### Business performance

- Management is optimistic about outpacing system loan growth in FY27 and expects system growth to be 12%-13% next year. The bank aims to grow at a couple of hundred bps over system growth next year. The bank's strategy remains focused on deep customer engagement, multi-product relationships (such as leveraging cards and mortgages to drive liabilities), and maintaining best-in-class credit quality.
- There is a committed glide path to reduce the CD ratio to ensure sustainable profitability. The bank aims to land in the 90% to 96% range for FY26 and 85% to 90% by FY27. Deposit growth is expected to improve as branches scale up and older branches mature, driving faster deposit mobilization and an expanding customer base.
- During the quarter, HDFCB added 71 branches to total 9,616. The bank now shifted to "wait & watch" post aggressive addition of ~4,800 branches that accounted for ~20% incremental deposits and is expected to rise to ~40-50%. The bank awaiting cohort maturity for the next phase branch addition.
- Loan growth accelerated across segments with healthy market share in deposits (~11%); disciplined pricing is maintained.
- RBI's regulatory inspection for agri PSL non-compliance led to an impact of ~Rs 5bn which was subsumed in Q3FY26.
- Profit After Tax (PAT) stood at Rs 186.5bn, up 11.5% YoY and flat QoQ, driven by healthy loan growth and lower provisions.
- Return on Assets (RoA) remained strong at 1.92%, reflecting sustained operating efficiency. Return on Equity (RoE) stood at 13.9% vs 14.4% last quarter.
- Net interest margin (NIM) improved by 8bps QoQ due to lower cost of funds (5.3% vs 5.5% QoQ) mainly as time deposit reprices.

### Loans

- Gross advances growth was 11.9% YoY; Advances Under Management (AUM) growth was 9.8% YoY.
- Management reiterated confidence in growing higher than system level in FY27.
- Retail loans grew 7% YoY; mortgages up 6.6%, personal loans 8.9%, auto loans 9.1%, and gold loans 29% YoY.
- Small and mid-market segments grew 17% YoY and 5% QoQ. Corporate loans growth was moderate at 10.3% YoY because of strategic pricing discipline.

### Deposits

- Overall deposit growth was 12% YoY; term deposits grew 12% YoY; CASA deposits grew 10%. CASA ratio stood at 33.6%, -3bps QoQ.

- Bank aims to keep pace with system; focus on retail & granular liabilities. Deposit mix is increasingly retail-focused (~83% retail deposits).
- Borrowings remained around 13% of total liabilities.

### Asset Quality:

- Gross NPA ratio stood at 1.24%, net NPA ratio was 0.42% same as last quarter.
- Annualised slippages ratio was ~1.3% for the quarter (~Rs 86bn).
- Management stated no major stress observed in any particular portfolio, and leading delinquency indicators remain lower than in previous periods.
- Strategy in retail assets, such as cards and mortgages, is increasingly focused on using these products as "enablers" for deeper customer relationships, noting that card customers maintain deposit balances 5.5 times higher than their card outstanding amounts, which helps manage the overall risk.
- Recoveries and upgrades were Rs 45bn, Write-offs were Rs 32 bn.
- Provision coverage ratio remained stable at ~66%.
- Credit cost for the quarter was 55 bps (annualised). Credit cost (net of recoveries) stood at 41 bps. Asset quality was stable across segments.

## Subsidiary Performance

### HDB Financials

- HDFC Bank continues to hold a 74.15% stake in HDB Financial Services, as of Dec'25.
- Loan book expanded to Rs 1,146 bn, marking 12.2% YoY and 2.8% QoQ growth.
- Asset quality maintained QoQ, with Gross Stage 3 assets at 2.81%.
- NIM improved to 8.1%, reflecting disciplined pricing and efficient liability management.
- Net profit came in at Rs 6.4 bn (vs Rs 5.8bn last quarter), with EPS of Rs 7.8.
- Return ratios remained stable – RoA at 2.2% and RoE at 13.1%.
- Capital adequacy ratio stood at a healthy 21.8%, providing ample growth headroom

### HDFC Life

- HDFC Bank holds 50.21% stake as of Dec'25.
- Sold 328k individual policies, covering 11.2 mn lives during the quarter.
- Individual WRP market share at 15% for 9MFY26.
- Net premium income up 73% YoY to Rs 290 bn; AUM at Rs 3.8 tn (+15% YoY).
- New business premium Rs 83 bn; VNB Rs 9.6 bn with 24% margin.

- PAT rose to Rs 4.2 bn (+1.4% YoY); solvency 180%, embedded value Rs 616 bn (+16% YoY).

### HDFC AMC

- HDFC Bank holds 52.38% stake as of Dec'25.
- Quarterly average AUM at Rs 9.2 tn, sustaining 11.4% market share.
- 65% of AUM equity-oriented, with 61% in actively managed equity funds.
- Served 15.4 mn unique investors (~26% MF industry penetration).
- Total income Rs 12.3 bn (+20% YoY); net profit Rs 7.7 bn (+20% YoY); EPS Rs 18.0.

### HDFC ERGO

- HDFC Bank holds 50.33% stake as of Dec'25.
- Gross written premium Rs 37.4 bn (+11% YoY); market share 4.2% overall, 6.3% private insurers.
- Retail mix at 70%; distribution via 299 branches + 608 digital offices.
- PAT Rs 2.6 bn (vs Rs 1.0 bn YoY); EPS Rs 3.62; solvency ratio 219%.

### HDFC Securities

- HDFC Bank holds 94.05% stake as of Dec'25.
- Serviced 7.6 mn customers via 129 branches across 104 cities.
- 97% active clients used digital platforms.
- Net revenue Rs 8.3 bn (+5% YoY); net profit Rs 2.2 bn (-17% YoY).
- EPS Rs 123; book value per share Rs 1,999.

## Valuation Methodology

We estimate deposits growth to be in the 13.8-16.9% range in FY26-FY28E. Advances growth is likely to improve gradually and to be in the 12-14% range during FY26-FY28E. This would result in a lower CD ratio.

Management continues to follow a risk-based pricing approach on the asset side, ensuring yield discipline vs chasing volume. On the liability side, HDFCB plans to optimise funding profile by repaying high-cost legacy borrowings and increasingly tapping cost-effective instruments such as infrastructure, affordable housing bonds and CASA deposits. These measures will likely ease pressure on funding costs and support margins in the coming quarters.

We believe HDFCB has managed to outperform large private sector peers previously by effectively navigating business cycles, delivering stronger profitability and margins, coupled with better asset quality. Return ratios to stay healthy with ROA of 1.8-2.0% and ROE of 14-15.4% in FY26-FY28E. Hence, we maintain BUY with revised SOTP-based TP of 1,200 (from Rs 1,181) and roll over valuation to 2.5x Dec'27E ABV.

**Fig 17 – Key operational assumptions**

(%)	FY25	FY26E	FY27E	FY28E
Advances growth	5.4	12.0	13.5	14.0
NII growth	13.0	5.7	16.8	16.8
PPoP growth	6.1	19.8	10.8	18.1
PAT growth	10.7	10.3	15.8	19.1
NIM	3.5	3.4	3.5	3.6
GNPA	1.3	1.3	1.2	1.2
CAR	19.6	19.7	19.8	19.1

Source: Company, BOBCAPS Research

**Fig 18 – Revised estimates**

Estimates	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Key Parameters (Rs mn)									
Loan	2,93,39,617	3,33,00,465	3,79,62,530	2,93,39,617	3,31,53,767	3,77,95,294	-	0.4	0.4
Deposits	3,08,93,456	3,61,14,449	4,20,73,334	3,12,19,221	3,63,70,393	4,21,89,656	(1.0)	(0.7)	(0.3)
Assets	4,29,57,496	4,91,59,705	5,55,45,297	4,33,34,631	4,93,97,697	5,65,28,283	(0.9)	(0.5)	(1.7)
NII	12,96,759	15,14,678	17,69,663	13,23,084	15,30,190	18,27,240	(2.0)	(1.0)	(3.2)
PPOP	12,00,017	13,29,516	15,70,346	12,14,515	13,46,484	16,18,968	(1.2)	(1.3)	(3.0)
Provision	2,35,663	1,80,443	2,01,458	2,36,039	1,89,602	2,22,674	(0.2)	(4.8)	(9.5)
PAT	7,42,553	8,59,506	10,23,929	7,31,900	8,65,348	10,44,428	1.5	(0.7)	(2.0)
ABV (Rs)	356	398	450	356	398	449	(0.0)	0.1	0.1

Source: Company, BOBCAPS Research

**Fig 19 – Actual vs Estimates**

Key Parameters (Rs mn)	Q3FY26A	Q3FY26E	Change (%)
Loan	2,82,14,465	2,81,79,198	0.1
Deposits	2,86,00,546	2,85,95,000	0.0
Assets	4,08,89,873	4,12,89,862	(1.0)
NII	3,26,150	3,25,434	0.2
PPOP	2,70,978	2,71,936	(0.4)
Provision	28,379	34,869	(18.6)
PAT	1,86,538	1,80,170	3.5

Source: Company, BOBCAPS Research

**Fig 20 – Valuation assumptions**

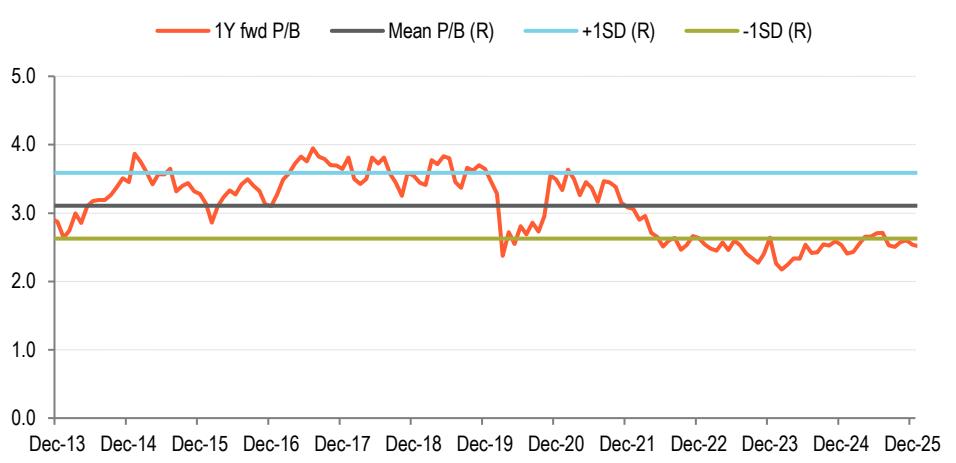
Gordon growth model	Assumptions
Risk-free rate (%)	6.6
Equity risk premium (%)	5.5
Beta	0.9
Cost of equity (%)	11.8
Blended ROE (%)	14.4
Initial high growth period (yrs)	15.0
Payout ratio of high-growth phase (%)	12.0
Long-term growth (%)	8.5
Long term dividend payout ratio (%)	41.0
Justified P/BV Multiple (x)	2.5

Source: Company, BOBCAPS Research

**Fig 21 – Valuation summary**

Business	Valuation	Holdings	Rs/Share
HDFC Bank	2.5x Dec'27 ABV	100.0	1,077
HDFC Life	Mcap	50.2	45
HDFC AMC	Mcap	52.4	31
HDFC Ergo	33x FY27E EPS	50.3	8
HDB Financials	Mcap	74.2	26
HDFC Securities	20x FY27E EPS	94.1	13
<b>Total</b>		<b>1,200</b>	

Source: BOBCAPS Research

**Fig 22 – PB band chart**

Source: Company, BOBCAPS Research

## Key risks

Key downside risks to our estimates:

- Unexpected asset quality shocks leading to higher credit cost.
- Higher than estimated cost to income ratio.

## Glossary

Glossary of Abbreviations			
<b>AUCA</b>	Advance Under Collection Account	<b>LCR</b>	Liquidity Coverage Ratio
<b>AIF</b>	Alternative Investment Fund	<b>MCLR</b>	Marginal Cost of Funds-based Lending Rate
<b>ARC</b>	Asset Reconstruction Company	<b>MTM</b>	Mark to Market
<b>BRDS</b>	Bills Rediscounting Scheme	<b>NII</b>	Net Interest Income
<b>CASA</b>	Current Account and Savings Account	<b>NIM</b>	Net Interest Margin
<b>CAR</b>	Capital Adequacy Ratio	<b>NNPA</b>	Net Non-Performing Assets
<b>CET1</b>	Common Equity Tier 1	<b>PCR</b>	Provision Coverage Ratio
<b>CD</b>	Credit-Deposit Ratio	<b>PPOP</b>	Pre-Provision Operating Profit
<b>C/I</b>	Cost-Income Ratio	<b>PSU</b>	Public Sector Unit
<b>CRB</b>	Commercial and Rural Banking	<b>RWA</b>	Risk-weighted Assets
<b>EBLR</b>	External Benchmark-based Lending Rate	<b>TD</b>	Term Deposits
<b>ECL</b>	Expected Credit Loss	<b>SLR</b>	Statutory Liquidity Ratio
<b>GNPA</b>	Gross Non-Performing Assets	<b>SMA</b>	Special Mention Account
<b>IBPC</b>	Interbank Participation Certificate	<b>SME</b>	Small and Medium-sized Enterprises

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	<b>10,85,325</b>	<b>12,26,701</b>	<b>12,96,759</b>	<b>15,14,678</b>	<b>17,69,663</b>
NII growth (%)	25.0	13.0	5.7	16.8	16.8
Non-interest income	4,92,410	4,56,323	6,35,961	5,98,762	6,43,936
Total income	15,77,735	16,83,024	19,32,720	21,13,440	24,13,599
Operating expenses	6,33,860	6,81,749	7,32,702	7,83,924	8,43,253
PPOP	9,43,875	10,01,275	12,00,017	13,29,516	15,70,346
PPOP growth (%)	34.1	6.1	19.8	10.8	18.1
Provisions	2,34,922	1,16,494	2,35,663	1,80,443	2,01,458
PBT	7,08,953	8,84,781	9,64,354	11,49,072	13,68,888
Tax	1,00,830	2,11,307	2,21,801	2,89,566	3,44,960
<b>Reported net profit</b>	<b>6,08,123</b>	<b>6,73,474</b>	<b>7,42,553</b>	<b>8,59,506</b>	<b>10,23,929</b>
Adjustments	0	0	0	0	0
<b>Adjusted net profit</b>	<b>6,08,123</b>	<b>6,73,474</b>	<b>7,42,553</b>	<b>8,59,506</b>	<b>10,23,929</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity capital	15,194	15,304	15,385	15,385	15,385
Reserves & surplus	43,87,264	49,98,942	55,81,916	62,52,331	70,50,996
Net worth	44,02,458	50,14,246	55,97,301	62,67,716	70,66,380
Deposits	2,37,97,863	2,71,47,149	3,08,93,456	3,61,14,449	4,20,73,334
Borrowings	66,21,531	54,79,309	49,31,378	46,35,495	44,50,076
Other liab. & provisions	13,54,379	14,61,285	15,35,361	21,42,044	19,55,508
<b>Total liab. &amp; equities</b>	<b>3,61,76,231</b>	<b>3,91,01,989</b>	<b>4,29,57,496</b>	<b>4,91,59,705</b>	<b>5,55,45,297</b>
Cash & bank balance	21,91,474	23,95,707	22,34,563	28,14,332	32,25,246
Investments	70,24,150	83,63,597	92,40,924	1,07,20,469	1,17,81,903
Advances	2,48,48,615	2,61,96,086	2,93,39,617	3,33,00,465	3,79,62,530
Fixed & Other assets	21,11,992	21,46,600	21,42,391	23,24,439	25,75,618
<b>Total assets</b>	<b>3,61,76,231</b>	<b>3,91,01,989</b>	<b>4,29,57,496</b>	<b>4,91,59,705</b>	<b>5,55,45,297</b>
Deposit growth (%)	26.4	14.1	13.8	16.9	16.5
Advances growth (%)	55.2	5.4	12.0	13.5	14.0

### Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	46.2	44.2	48.4	55.9	66.6
Dividend per share	9.8	9.8	10.6	12.3	14.6
Book value per share	289.8	327.6	363.8	407.4	459.3

### Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	20.2	21.1	19.2	16.7	14.0
P/BV	3.2	2.8	2.6	2.3	2.0
Dividend yield (%)	1.0	1.0	1.1	1.3	1.6

### DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	3.6	3.3	3.2	3.3	3.4
Non-interest income	1.6	1.2	1.6	1.3	1.2
Operating expenses	2.1	1.8	1.8	1.7	1.6
Pre-provisioning profit	3.1	2.7	2.9	2.9	3.0
Provisions	0.8	0.3	0.6	0.4	0.4
PBT	2.3	2.4	2.4	2.5	2.6
Tax	0.3	0.6	0.5	0.6	0.7
ROA	2.0	1.8	1.8	1.9	2.0
Leverage (x)	8.4	8.0	7.7	7.8	7.9
ROE	16.9	14.3	14.0	14.5	15.4

### Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
<b>YoY growth (%)</b>					
Net interest income	25.0	13.0	5.7	16.8	16.8
Pre-provisioning profit	34.1	6.1	19.8	10.8	18.1
EPS	16.4	(4.3)	9.6	15.4	19.1
<b>Profitability &amp; Return ratios (%)</b>					
Net interest margin	3.5	3.5	3.4	3.5	3.6
Fees / Avg. assets	0.9	0.8	1.0	1.0	1.0
Cost-Income	40.2	40.5	37.9	37.1	34.9
ROE	16.9	14.3	14.0	14.5	15.4
ROA	2.0	1.8	1.8	1.9	2.0
<b>Asset quality (%)</b>					
GNPA	1.2	1.3	1.3	1.2	1.2
NNPA	0.3	0.4	0.4	0.4	0.4
Slippage ratio	2.5	1.3	1.3	1.4	1.4
Credit cost	1.2	0.5	0.8	0.6	0.6
Provision coverage	74.0	67.9	65.5	67.0	68.0
<b>Ratios (%)</b>					
Credit-Deposit	104.4	96.5	95.0	92.2	90.2
Investment-Deposit	29.5	30.8	29.9	29.7	28.0
CAR	18.8	19.6	19.7	19.8	19.1
Tier-1	16.8	17.7	18.1	17.8	17.5

Source: Company, BOBCAPS Research

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Registered office Address: 1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051

SEBI Research Analyst Registration No: INH000000040 valid till 03 February 2025

Brand Name: **BOBCAPS**

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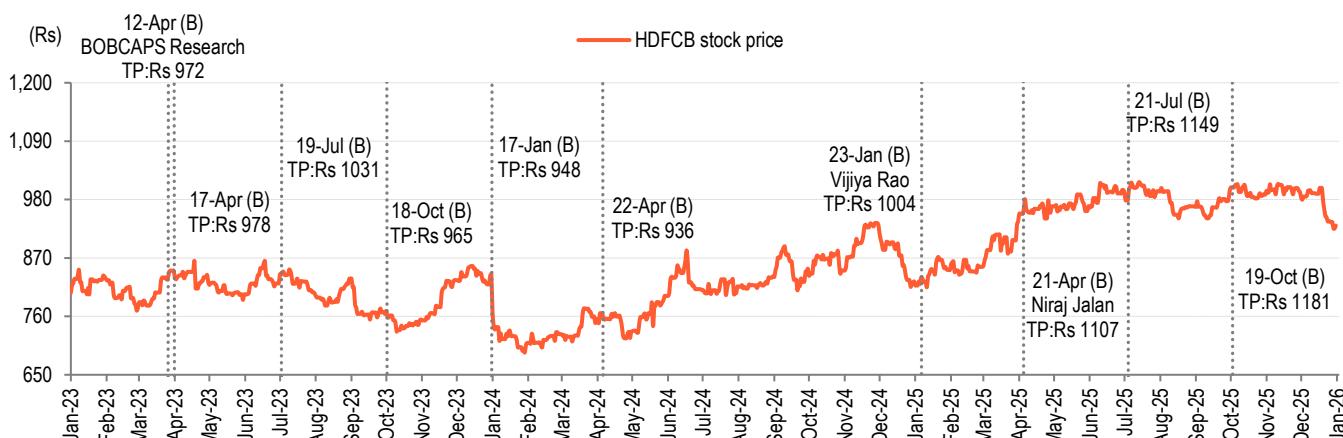
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