Prabhudas Lilladher
POWERING YOUR FINANCIAL GROWTH

HDFC Bank (HDFCB IN)

Rating: BUY | CMP: Rs1,545 | TP: Rs1,870

January 17, 2022

Q3FY22 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY23E	FY24E	FY23E	FY24E
Rating	**BUY**		**BUY**	
Target Price	**1,870**		**1,870**	
NII (Rs. m)	8,44,484	9,92,467	8,42,251	9,88,386
% Chng.	*0.3*	*0.4*		
Op. Profit (Rs. m)	7,50,192	8,83,135	7,47,317	8,78,424
% Chng.	*0.4*	*0.5*		
EPS (Rs.)	80.0	95.5	79.7	95.6
% Chng.	*0.3*	*(0.1)*		

Key Financials - Standalone

Y/e Mar	FY21	FY22E	FY23E	FY24E
NII (Rs bn)	649	722	844	992
Op. Profit (Rs bn)	574	647	750	883
PAT (Rs bn)	311	378	442	528
EPS (Rs.)	56.6	68.4	80.0	95.5
Gr. (%)	*17.8*	*20.8*	*16.9*	*19.5*
DPS (Rs.)	-	6.5	15.0	18.0
Yield (%)	-	*0.4*	*1.0*	*1.2*
NIM (%)	*4.1*	*4.0*	*4.1*	*4.1*
RoAE (%)	*16.6*	*17.0*	*17.1*	*17.8*
RoAA (%)	*1.9*	*2.0*	*2.1*	*2.1*
P/BV (x)	4.2	3.6	3.1	2.7
P/ABV (x)	4.3	3.7	3.2	2.8
PE (x)	27.3	22.6	19.3	16.2
CAR (%)	18.8	18.9	18.5	17.8

Key Data	HDBK.BO | HDFCB IN
52-W High / Low	Rs.1,789 / Rs.1,342
Sensex / Nifty	61,223 / 18,256
Market Cap	Rs.8,564bn/ $ 1,15,488m
Shares Outstanding	5,542m
3M Avg. Daily Value	Rs.9935.87m

Shareholding Pattern (%)

Promoter's	25.85
Foreign	37.47
Domestic Institution	22.97
Public & Others	13.71
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	2.8	3.1	5.2
Relative	(2.4)	(10.9)	(14.8)

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Retail a slight drag; asset quality ameliorates

Quick Pointers:

- Credit Cost at 0.95%(annualized) for the quarter; lowest in past three years.
- Payment fees dent other income; exclusive of that fee income grew 17% YoY

HDFCB's PAT at Rs103.42bn was marginally higher than estimate (PLe: R101.53bn), led by a better than expected NII growth of 13% YoY on the back of healthy loan growth of 16.5% YoY. NII traction remained lower than loan growth for some time now due to high B/S liquidity & non-retail focus. In our view, HDFCB has faced challenges in maintaining loan growth momentum leading to slower NII growth. Said that, improving traction in retail and commercial & rural banking is expected to improve loan & fees coupled with contained slippages will lead to improvement in overall earnings.

We believe that bank has a strong balance sheet with PCR of 70% and ability to absorb higher credit losses, comfortable contingency provisions and restructured stock at <1.5%. With higher earnings visibility leading to superior ROEs of 17-18% over FY23-FY24E, HDFCB stands as one of the best placed in the industry. We reiterate BUY with unchanged TP of Rs1,870 retaining our target multiple at 3.6x Sep-23 ABV.

- **Expect calibrated improvement in operating profile:** NII growth came in at 13% YoY/4% QoQ with focus on Commercial & Rural Banking and Retail traction. Overall PPOP growth stood at 10.5% YoY weighed down by lower retail mix, lower revolvers than pre-pandemic levels, slower other income and higher opex due to branch expansion and tech related expenses. Other income traction was primarily impacted as payments fees stood under pressure, yet exclusive of that fee income growth at 17%YoY stood relatively better off. Calculated yields remains steady with 12bps QoQ drop, while funding cost came down only by 9bps QoQ maintaining the spreads. Going ahead, NII profile is expected to improve with shift towards granular portfolio within retail mix and changes in overall systemic interest rates. Bank expects PPOP growth to replicate loan growth.

- **Loan growth led from Commercial & Rural Banking:** CRB lending growth was up 29.4% YoY/6.1% QoQ, followed by retail loan growth of 13.3% YoY/4.7% QoQ. Retail to Non-Retail mix is now at 40:60 compared to 50:50 in pre-pandemic. Improved cash flows for corporates have led to prepayments, while CRB continues to be great opportunity and bank would continue to build market share in this segment. Retail has been subdued due to cautious stance, however the endeavor would be to build it back. On other end, franchise benefit retains flow in deposits especially CASA, helping in lowering funding cost.

- **Asset quality pressures easing:** Bank reported slippage rate of 1.6% vs 1.8% in Q2FY22. GNPA declined 9bpsQoQ to 1.26%. Bounce rates trends have been improving, stood near pre-covid levels; early Jan data shows further improvement. Bank continues to strengthen its contingency provisioning by Rs6.0bn to Rs86bn (68bps of loans), as also with lower slippages credit costs declined 31bps YoY/36 bps QoQ. Restructuring declined to 1.37% of loans from 1.52% QoQ on account of recoveries and balance due to slipping to NPA.

NII growth improved with better loan growth and continued lower cost of funds.

Other income grew by 10% YoY/10.6%QoQ; however, fee income was slow.

Other Opex increases with branch expansion and digitization.

Bank made additional Rs6bn of contingency provisions, provisions came down on lower slippages.

Lending growth rate has improved this quarter led by CRB Loans, deposits led by CASA.

NIMs remain flattish QoQ & YoY

Slower Slippages rate of 160bps (annualized) has improved asset quality, while PCR remains same.

CASA mix remains steady at 47%

Exhibit 1: Top-line performance in-line, provisioning comes off

Financials (Rs m)	Q3FY22	Q3FY21	YoY gr. (%)	Q2FY22	QoQ gr. (%)
Interest income	3,24,681	3,00,797	*7.9*	3,13,534	*3.6*
Interest Expended	1,40,246	1,37,621	*1.9*	1,36,690	*2.6*
Net interest income (NII)	**1,84,435**	**1,63,176**	***13.0***	**1,76,844**	***4.3***
- Treasury income	10,465	11,090	*(5.6)*	6,755	*54.9*
Other income	81,836	74,432	*9.9*	74,008	*10.6*
Total income	**2,66,271**	**2,37,608**	***12.1***	**2,50,852**	***6.1***
Operating expenses	98,511	85,748	*14.9*	92,779	*6.2*
-Staff expenses	31,544	26,301	*19.9*	29,671	*6.3*
-Other expenses	66,967	59,447	*12.6*	63,108	*6.1*
Operating profit	**1,67,760**	**1,51,860**	***10.5***	**1,58,073**	***6.1***
Core operating profit	**1,57,295**	**1,40,770**	***11.7***	**1,51,318**	***4.0***
Total provisions	29,940	34,141	*(12.3)*	39,247	*(23.7)*
Profit before tax	**1,37,820**	**1,17,719**	***17.1***	**1,18,826**	***16.0***
Tax	34,398	30,136	*14.1*	30,483	*12.8*
Profit after tax	**1,03,423**	**87,583**	***18.1***	**88,343**	***17.1***
Balance sheet (Rs m)					
Deposits	1,44,59,181	1,27,11,239	*13.8*	1,40,63,433	*2.8*
Advances	1,26,08,628	1,08,23,242	*16.5*	1,19,88,374	*5.2*
Profitability ratios					
YoA – Calc	8.1	8.9	*(80)*	8.2	*(12)*
CoF – Calc	3.5	4.0	*(48)*	3.6	*(9)*
NIM – Reported	**4.1**	**4.2**	***(10)***	**4.1**	***-***
RoaA	2.2	2.1	*4*	2.0	*22*
RoaE	18.5	18.4	*8*	16.4	*206*
Asset Quality					
Gross NPL (Rs mn)	1,60,136	88,256	*81.4*	1,63,461	*(2.0)*
Net NPL (Rs mn)	46,768	10,160	*360.3*	47,551	*(1.6)*
Gross NPL ratio	1.3	0.8	*45*	1.4	*(9)*
Net NPL ratio	0.4	0.1	*28*	0.4	*(3)*
Coverage ratio – Calc	70.9	88.5	*(1,758)*	70.9	*-*
Business & Other Ratios					
Low-cost deposit mix	47.1	43.0	*409*	46.8	*30*
Cost-income ratio	37.0	36.1	*91*	37.0	*1*
Non int. inc / total income	30.7	31.3	*(59)*	29.5	*123*
Credit deposit ratio	87.2	85.1	*205*	85.2	*196*
CAR	19.5	18.9	*60*	20.0	*(50)*
Tier-I	18.4	17.6	*80*	18.7	*(30)*

Source: Company, PL.

Key Q3FY22 Conference Call Highlights

Business Review & Outlook:

- Economic environment was more conducive in the current quarter aided by tailwinds from monetary & fiscal policy, robust equity & debt markets, digitizations and the festive seasons have led to improvement in overall growth.

- **Deposits -** Bank opened all-time high of 2.4mn new liability accounts in Q3FY22 up 29% YoY. Deposits growth has been led by CASA growth.

- **Assets –** Advances growth has been led by substantial upswing in CRB followed by Retail Loans.

  - **Corporate & Other Wholesale –** Corporates continue to generate strong Cash Flows and hence witnessed fair share of prepayments. **Growth –** Trade continues to be opportunity for credit growth due to factoring, invoice financing amongst others. Bank continues to be leader in lending to MNCs and seen rebound in credit growth.

  - **Commercial & Rural Banking** – Growth has been aided by market share, expansion in semi-urban and rural areas, underlying strength in the economy.

  - **Retail – Risk assessment -** Overall bounce rates have been better than pre-covid levels; early January shows continued improvement. Demand resolution at 97-98% which is near to pre-covid levels and in some segments is even better than pre-covid levels. C**ards -** Card spends has seen 24% YoY while Debit Card Spends increase 14% YoY; however utilization remains in the range of 0.5-0.8 of pre-covid levels. Since Aug-21, Bank has added 13.7 lakh credit cards.

Fees/Other Income

- C/I steady at 37% owing to increased spend to drive sales and services, growth in retail granular book ad continued tech expenses.

- Fees - 93% of fees from the retail sector. However, fees from payment products have declined which resulted in flattish fee growth YoY/QoQ due to fee waivers in festive season to incentivize customers, decline in late payment fees.

Margins/NII

- NIM is reflective of shift to higher rated segments and secured retail mix, management expects it to move up in the range of 4.4%-4.5% with increase retail lending, repo rate changes.

Asset quality

- Bank made additional Rs6bn of contingent provisions. (O/S Contingent Provisions – Rs.86bn).

- Bank's restructured portfolio stood at 137 bps (include 28 bps from other facilities to same borrower which are not restructured) and expects an impact of 10-20 bps on this portfolio.

- Bank saw decline in slippages 1.6% vs 1.8% in Q2FY22. It wrote off Rs.22bn in the quarter and sold Rs.2.6bn NPAs.
- Credit Cost – Credit declined to 0.95% in Q3FY22, lowest in past 3 years, a reflection of prudent provisioning which the bank made before pandemic. However, management alerted that credit cost of the current quarter is not to be construed as an estimation ahead. GNPAs could move +/- 20bps, hence credit cost could move up in the same band.
- Floating provisions now account for 75% of the GNPAs

2W loan growth continue to struggle, while Auto loans improve.

Commercial & Rural Banking outshined with strong growth

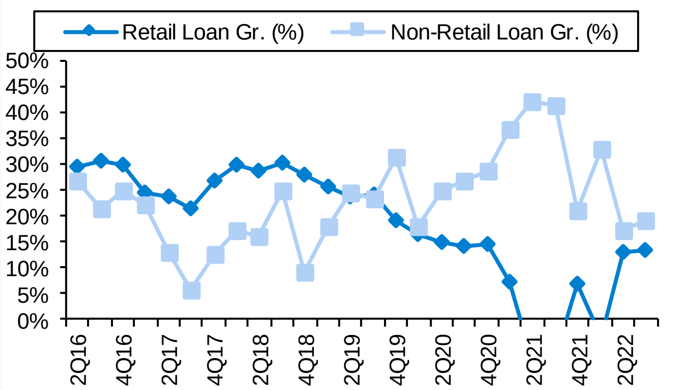
Share of retail portfolio remains same, however non-retail continues to be dominant

Exhibit 2: Retail trends weak; non retail sequentially still better

Loan Composition (Rs mn)	Q3FY22	Q3FY21	YoY gr. (%)	Q2FY22	QoQ gr. (%)
Personal Loans	13,33,990	11,59,630	15.0	12,63,580	5.6
Auto	9,64,260	8,92,770	8.0	9,51,950	1.3
Home Loans	7,89,920	6,66,090	18.6	7,57,540	4.3
Payment Products	7,33,050	6,59,450	11.2	6,77,830	8.1
LAP	5,77,360	4,98,170	15.9	5,44,260	6.1
2Wheelers	92,880	1,04,650	(11.2)	97,130	(4.4)
Gold Loans	81,980	76,360	7.4	81,090	1.1
Other Retail	4,84,070	4,07,820	18.7	4,56,040	6.1
Agri	5,60,310	4,52,840	23.7	5,60,040	0.0
Retail Loans	**50,57,510**	**44,64,940**	**13.3**	**48,29,420**	**4.7**
Commercial & Rural Banking	**44,02,260**	**34,00,990**	**29.4**	**41,50,240**	**6.1**
Corporate & Wholesale	**32,61,820**	**30,34,830**	**7.5**	**31,24,230**	**4.4**
Total Advances	**1,27,21,590**	**1,09,00,760**	**16.7**	**1,21,03,890**	**5.1**
Loan Mix	**Q3FY22**	**Q3FY21**	**bps chg. YoY**	**Q2FY22**	**bps chg. QoQ**
Vehicle Loans	8.3%	9.2%	(9.2)	8.7%	(4.1)
Unsecured Loans	16.2%	16.7%	(2.6)	16.0%	1.3
Retail Loans	39.8%	41.0%	(2.9)	39.9%	(0.4)
Non Retail Loans	60.2%	59.0%	2.0	60.1%	0.2

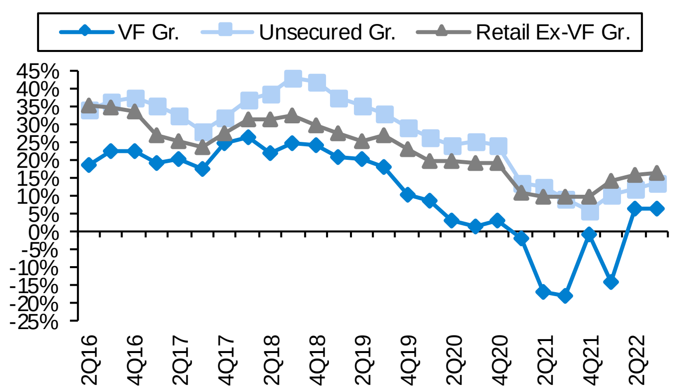
Source: Company, PL

Exhibit 3: Retail flattish, while non-retail sees slight uptick



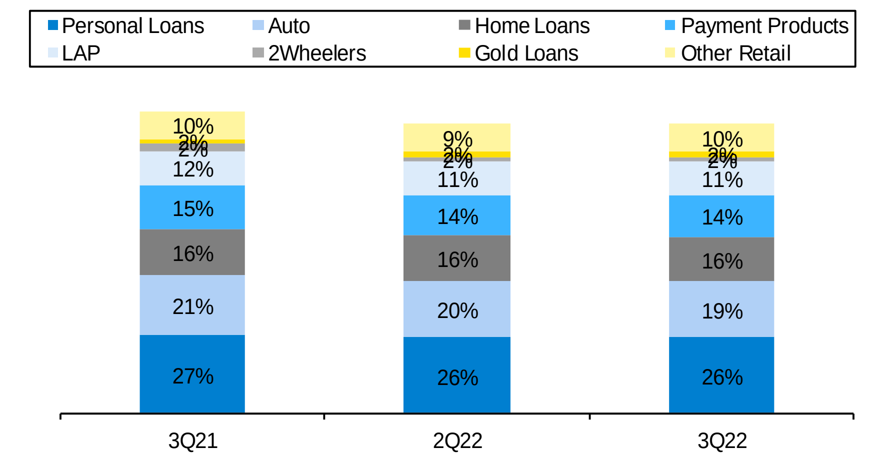
Source: Company, PL

Exhibit 4: Bank still improving market share



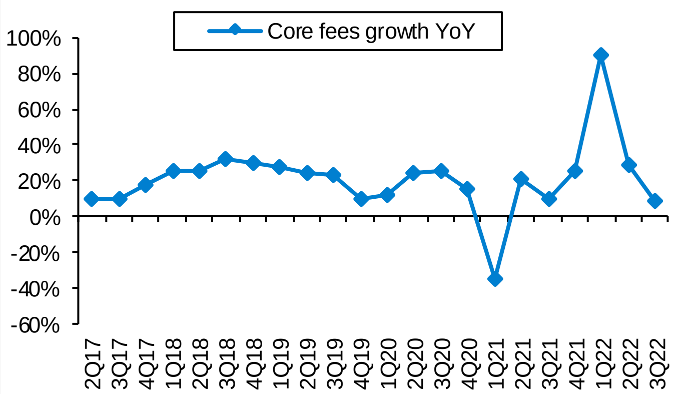
Source: Company, PL

Exhibit 5: Break up of retail book as percentage of retail loans



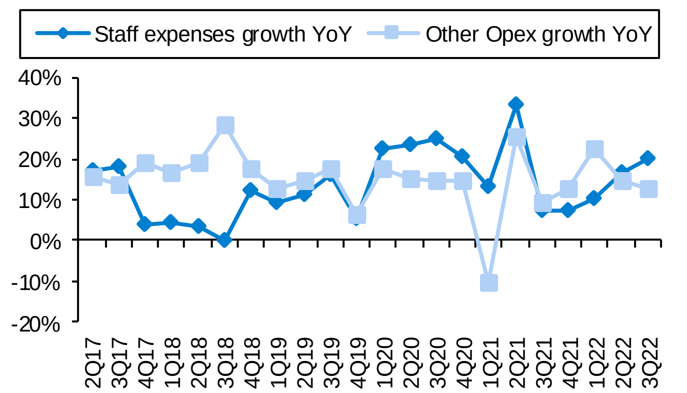
Source: Company, PL

Exhibit 6: Fee growth falls due to payment product fees



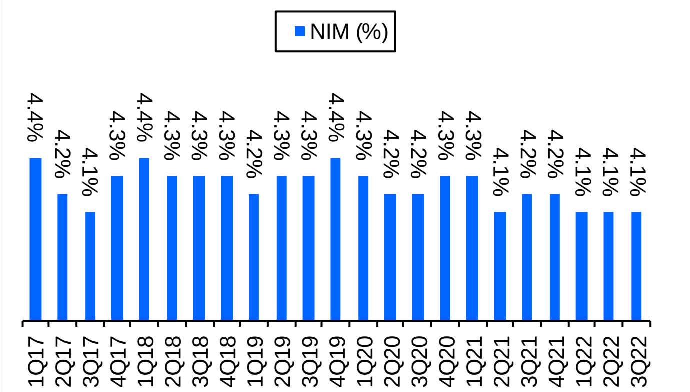
Source: Company, PL

Exhibit 7: Opex growth has remained benign



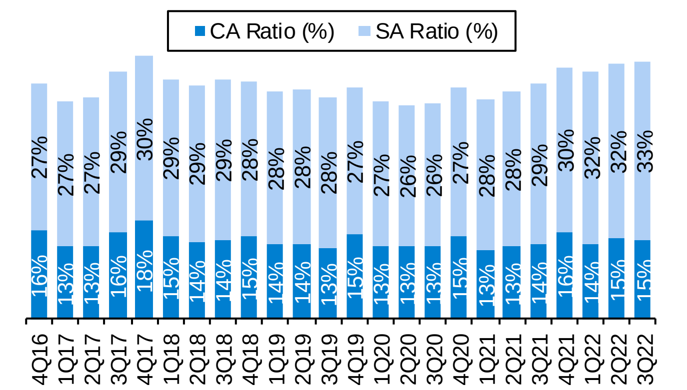
Source: Company, PL

Exhibit 8: NIMs remain flat



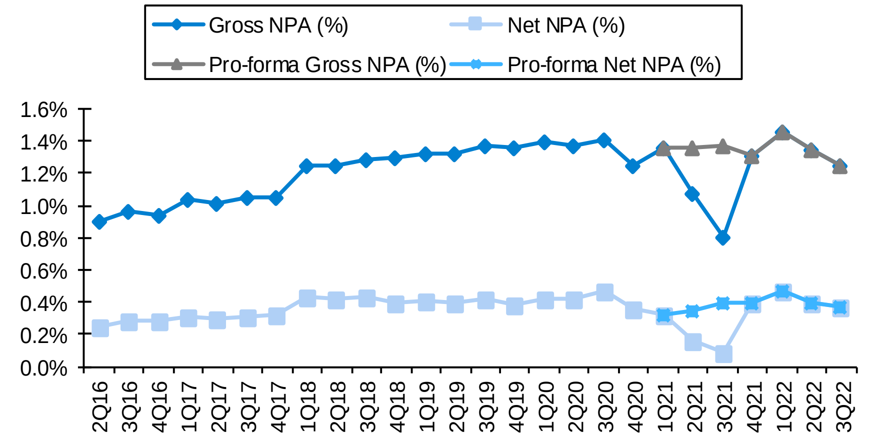
Source: Company, PL

Exhibit 9: CASA steady at 47%



Source: Company, PL

Exhibit 10: Asset quality improves marginally



Source: Company Data, PL Research

Exhibit 11: Return ratios should improve post pandemic

RoA decomposition	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Interest income	8.32	8.57	8.27	7.38	6.86	7.09	7.31
Interest expenses	4.17	4.40	4.23	3.42	2.99	3.14	3.29
Net interest income	**4.16**	**4.18**	**4.05**	**3.96**	**3.87**	**3.96**	**4.02**
Treasury income	0.25	0.18	0.29	0.48	0.40	0.21	0.19
Other Inc. from operations	1.33	1.34	1.38	1.06	1.22	1.37	1.38
Total income	**5.74**	**5.71**	**5.73**	**5.50**	**5.49**	**5.54**	**5.59**
Employee expenses	0.71	0.67	0.69	0.63	0.64	0.65	0.65
Other operating expenses	1.65	1.59	1.53	1.36	1.38	1.38	1.37
Operating profit	**3.38**	**3.44**	**3.51**	**3.50**	**3.47**	**3.51**	**3.58**
Tax	0.96	0.96	0.75	0.64	0.68	0.71	0.72
Loan loss provisions	0.61	0.65	0.88	0.96	0.76	0.73	0.72
RoAA	**1.81**	**1.83**	**1.89**	**1.90**	**2.02**	**2.07**	**2.14**
RoAE	**17.87**	**16.50**	**16.40**	**16.61**	**17.02**	**17.15**	**17.77**

Source: Company, PL

Exhibit 12: We adjust lower NII, other opex and asset quality estimates

Change in Estimates (Rs mn)	Earlier estimates			Revised estimates			*% Change*		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	*FY22E*	*FY23E*	*FY24E*
Net interest income	7,27,250	8,42,251	9,88,386	7,21,844	8,44,484	9,92,467	*(0.7)*	*0.3*	*0.4*
Operating profit	6,51,745	7,47,317	8,78,424	6,47,059	7,50,192	8,83,135	*(0.7)*	*0.4*	*0.5*
Net profit	3,67,124	4,40,729	5,28,554	3,77,532	4,42,035	5,28,037	*2.8*	*0.3*	*(0.1)*
Loan Growth (%)	14.6	16.0	18.0	14.8	16.0	18.0	*0.2*	*-*	*-*
Credit Cost (bps)	115.0	100.0	95.0	100.0	100.0	98.0	*(15.0)*	*-*	*3.0*
EPS, Rs.	66.5	79.7	95.6	68.4	80.0	95.5	*2.8*	*0.3*	*(0.1)*
ABVPS, Rs.	415.5	479.6	556.1	415.1	481.7	558.8	*(0.1)*	*0.4*	*0.5*
Price target, Rs.	**1,870**			**1,870**			***0.0***		
Recommendation	**BUY**			**BUY**					

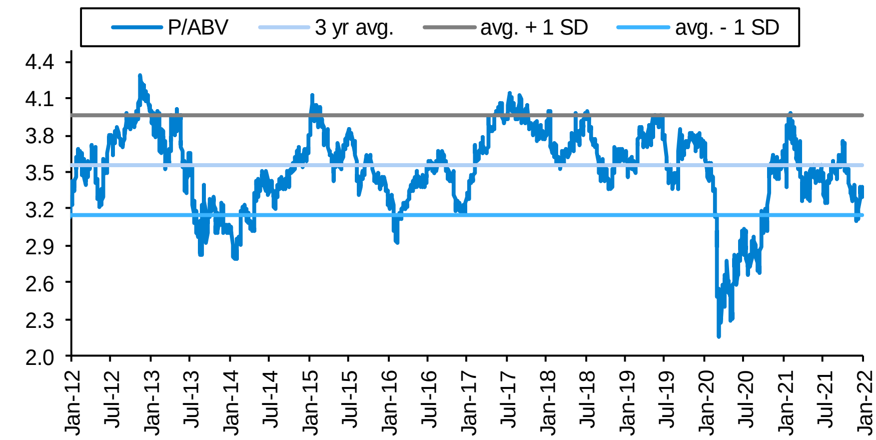
Source: Company, PL

Exhibit 13: We retain our TP to Rs1,870 at Sep-23 ABV with retained multiple of 3.6x

PT calculation and upside	
Market risk premium	7.0%
Risk-free rate	6.3%
Adjusted beta	1.06
Terminal Growth	5.0%
Cost of equity	**13.7%**
Fair price - P/ABV	**1,870**
Target P/ABV	**3.6**
Target P/E	**21.3**
Current price, Rs	1,545
Upside (%)	**21.0%**
Dividend yield (%)	1.1%
Total return (%)	**22.1%**

Source: Company, PL

Exhibit 14: HDFCB one year forward P/ABV trend



Source: Company, PL

Income Statement (Rs. m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
Int. Earned from Adv.	9,48,345	9,85,500	11,79,810	14,20,716
Int. Earned from invt.	2,32,143	2,64,984	3,13,005	3,60,840
Others	28,094	29,128	20,998	23,846
Total Interest Income	12,08,582	12,79,611	15,13,813	18,05,402
Interest Expenses	5,59,787	5,57,767	6,69,329	8,12,936
Net Interest Income	**6,48,796**	**7,21,844**	**8,44,484**	**9,92,467**
Growth(%)	*13.4*	*13.7*	*15.5*	*16.7*
Non Interest Income	2,52,049	3,02,459	3,38,754	3,88,889
Net Total Income	9,00,845	10,24,303	11,83,237	13,81,356
Growth(%)	*5.8*	*8.3*	*17.1*	*18.4*
Employee Expenses	1,03,648	1,20,232	1,38,266	1,59,283
Other Expenses	2,10,554	2,37,926	2,75,994	3,20,706
Operating Expenses	3,27,226	3,77,244	4,33,046	4,98,221
Operating Profit	**5,73,618**	**6,47,059**	**7,50,192**	**8,83,135**
Growth(%)	*17.7*	*12.8*	*15.9*	*17.7*
NPA Provision	1,14,502	1,21,667	1,40,454	1,61,146
Total Provisions	1,57,029	1,42,337	1,56,857	1,77,204
PBT	**4,16,590**	**5,04,722**	**5,93,335**	**7,05,931**
Tax Provision	1,05,425	1,27,190	1,51,300	1,77,895
Effective tax rate (%)	*25.3*	*25.2*	*25.5*	*25.2*
PAT	**3,11,165**	**3,77,532**	**4,42,035**	**5,28,037**
Growth(%)	*18.5*	*21.3*	*17.1*	*19.5*

Balance Sheet (Rs. m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
Face value	1	1	1	1
No. of equity shares	5,513	5,529	5,529	5,529
Equity	5,513	5,529	5,529	5,529
Networth	20,37,208	23,98,071	27,57,174	31,85,693
Growth(%)	*19.1*	*17.7*	*15.0*	*15.5*
Adj. Networth to NNPAs	45,548	84,187	60,328	56,007
Deposits	1,33,50,602	1,52,19,687	1,76,54,836	2,06,56,159
Growth(%)	*16.3*	*14.0*	*16.0*	*17.0*
CASA Deposits	61,56,822	71,38,033	81,21,225	94,19,208
% of total deposits	*46.1*	*46.9*	*46.0*	*45.6*
Total Liabilities	**1,74,68,705**	**1,98,59,107**	**2,28,36,987**	**2,65,42,621**
Net Advances	1,13,28,366	1,30,04,965	1,50,85,759	1,78,01,195
Growth(%)	*14.0*	*14.8*	*16.0*	*18.0*
Investments	44,37,283	51,18,224	59,70,943	66,14,228
Total Assets	**1,74,68,705**	**1,98,59,107**	**2,28,36,987**	**2,65,42,621**
Growth (%)	*14.1*	*13.7*	*15.0*	*16.2*

Asset Quality

Y/e Mar	FY21	FY22E	FY23E	FY24E
Gross NPAs (Rs m)	1,50,860	1,99,535	2,00,782	2,10,131
Net NPAs (Rs m)	45,548	84,187	60,328	56,007
Gr. NPAs to Gross Adv.(%)	*1.3*	*1.5*	*1.3*	*1.2*
Net NPAs to Net Adv. (%)	*0.4*	*0.6*	*0.4*	*0.3*
NPA Coverage %	*69.8*	*57.8*	*70.0*	*73.3*

Profitability (%)

Y/e Mar	FY21	FY22E	FY23E	FY24E
NIM	4.1	4.0	4.1	4.1
RoAA	1.9	2.0	2.1	2.1
RoAE	16.6	17.0	17.1	17.8
Tier I	17.6	17.6	17.3	16.8
CRAR	18.8	18.9	18.5	17.8

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q4FY21	Q1FY22	Q2FY22	Q3FY22
Interest Income	3,04,236	3,04,830	3,13,534	3,24,681
Interest Expenses	1,33,034	1,34,740	1,36,690	1,40,246
Net Interest Income	**1,71,201**	**1,70,090**	**1,76,844**	**1,84,435**
YoY growth (%)	*12.6*	*8.6*	*12.1*	*13.0*
CEB	50,233	38,854	49,459	50,751
Treasury	-	-	-	-
Non Interest Income	75,939	62,886	74,008	81,836
Total Income	**3,80,175**	**3,67,716**	**3,87,542**	**4,06,517**
Employee Expenses	26,789	27,656	29,671	31,544
Other expenses	65,024	53,949	63,108	66,967
Operating Expenses	91,813	81,604	92,779	98,511
Operating Profit	**1,55,328**	**1,51,371**	**1,58,073**	**1,67,760**
YoY growth (%)	*19.9*	*18.0*	*14.4*	*10.5*
Core Operating Profits	1,48,777	1,45,361	1,51,318	1,57,295
NPA Provision	-	42,197	22,864	18,206
Others Provisions	46,937	48,308	39,247	29,940
Total Provisions	46,937	48,308	39,247	29,940
Profit Before Tax	**1,08,391**	**1,03,063**	**1,18,826**	**1,37,820**
Tax	26,526	25,766	30,483	34,398
PAT	**81,865**	**77,297**	**88,343**	**1,03,423**
YoY growth (%)	*18.2*	*16.1*	*17.6*	*18.1*
Deposits	**1,33,50,602**	**1,34,58,300**	**1,40,63,433**	**1,44,59,181**
YoY growth (%)	*16.3*	*13.2*	*14.4*	*13.8*
Advances	**1,13,28,366**	**1,14,76,516**	**1,19,88,374**	**1,26,08,628**
YoY growth (%)	*14.0*	*14.4*	*15.5*	*16.5*

Key Ratios

Y/e Mar	FY21	FY22E	FY23E	FY24E
CMP (Rs)	1,545	1,545	1,545	1,545
EPS (Rs)	56.6	68.4	80.0	95.5
Book Value (Rs)	370	434	499	576
Adj. BV (70%)(Rs)	357	415	482	559
P/E (x)	27.3	22.6	19.3	16.2
P/BV (x)	4.2	3.6	3.1	2.7
P/ABV (x)	4.3	3.7	3.2	2.8
DPS (Rs)	-	6.5	15.0	18.0
Dividend Payout Ratio (%)	-	*9.5*	*18.8*	*18.8*
Dividend Yield (%)	-	*0.4*	*1.0*	*1.2*

Efficiency

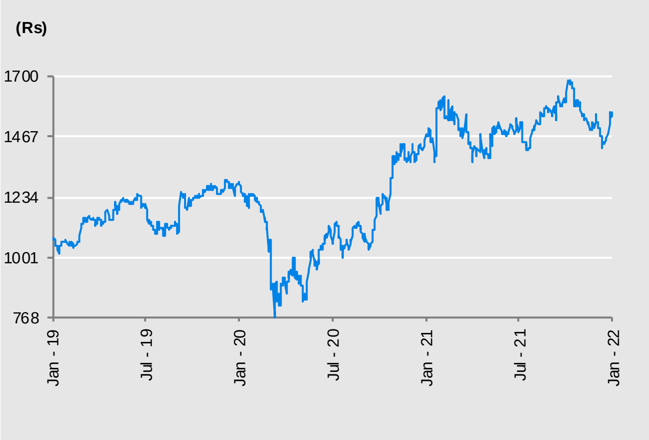
Y/e Mar	FY21	FY22E	FY23E	FY24E
Cost-Income Ratio (%)	*36.3*	*36.8*	*36.6*	*36.1*
C-D Ratio (%)	*84.9*	*85.4*	*85.4*	*86.2*
Business per Emp. (Rs m)	205	230	262	302
Profit per Emp. (Rs lacs)	26	31	35	41
Business per Branch (Rs m)	4,401	4,704	5,099	5,598
Profit per Branch (Rs m)	55	63	69	77

Du-Pont

Y/e Mar	FY21	FY22E	FY23E	FY24E
NII	3.96	3.87	3.96	4.02
Total Income	5.50	5.49	5.54	5.59
Operating Expenses	2.00	2.02	2.03	2.02
PPoP	3.50	3.47	3.51	3.58
Total provisions	0.96	0.76	0.73	0.72
RoAA	1.90	2.02	2.07	2.14
RoAE	16.61	17.02	17.15	17.77

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	12-Jan-22	BUY	1,870	1,566
2	6-Oct-21	BUY	1,870	1,615
3	19-Jul-21	BUY	1,870	1,522
4	6-Jul-21	BUY	1,735	1,535
5	18-Apr-21	BUY	1,735	1,429
6	6-Apr-21	BUY	1,690	1,450

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Axis Bank	Accumulate	860	743
2	Bank of Baroda	BUY	105	92
3	Federal Bank	Accumulate	97	96
4	HDFC Bank	BUY	1,870	1,566
5	ICICI Bank	BUY	819	811
6	IDFC First Bank	Reduce	42	49
7	IndusInd Bank	BUY	1,297	918
8	Kotak Mahindra Bank	Accumulate	1,978	1,937
9	Punjab National Bank	BUY	40	50
10	South Indian Bank	Hold	9	11
11	State Bank of India	BUY	540	506

PL's Recommendation Nomenclature (Absolute Performance)

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

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