

April 21, 2024

## Q4FY24 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
<b>Rating</b>	<b>BUY</b>		<b>BUY</b>	
<b>Target Price</b>	<b>2,000</b>		<b>2,000</b>	
NII (Rs. m)	12,67,442	14,60,515	12,73,146	14,67,267
% Chng.	(0.4)	(0.5)		
Op. Profit (Rs. m)	10,07,108	11,53,161	9,84,797	11,52,561
% Chng.	2.3	0.1		
EPS (Rs.)	88.3	102.0	86.2	101.2
% Chng.	2.5	0.8		

### Key Financials - Standalone

Y/e Mar	FY23	FY24	FY25E	FY26E
NII (Rs bn)	1,061	1,137	1,267	1,461
Op. Profit (Rs bn)	873	987	1,007	1,153
PAT (Rs bn)	561	639	671	775
EPS (Rs.)	74.9	84.1	88.3	102.0
Gr. (%)	18.1	12.3	5.0	15.5
DPS (Rs.)	18.8	16.8	17.7	20.4
Yield (%)	1.2	1.1	1.2	1.3
NIM (%)	3.8	3.5	3.5	3.6
RoAE (%)	15.8	15.6	14.4	14.8
RoAA (%)	1.9	1.9	1.8	1.8
P/BV (x)	3.0	2.6	2.4	2.1
P/ABV (x)	3.1	2.7	2.4	2.1
PE (x)	20.4	18.2	17.3	15.0
CAR (%)	21.3	18.8	19.0	18.9

### Key Data

**HDBK.BO | HDFCB IN**

52-W High / Low	Rs.1,758 / Rs.1,363
Sensex / Nifty	73,088 / 22,147
Market Cap	Rs.11,633bn / \$ 1,39,365m
Shares Outstanding	7,597m
3M Avg. Daily Value	Rs.38186.61m

### Shareholding Pattern (%)

Promoter's	-
Foreign	47.83
Domestic Institution	33.60
Public & Others	18.57
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	5.7	1.1	(8.1)
Relative	4.1	(9.2)	(25.1)

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## Best ever quarter post merger announcement

### Quick Pointers:

- Good quarter with core PPOP beat due to better fees, NIM and opex.
- Balance sheet strengthened by creation of floating provisions of Rs109bn.

**HDFCB saw the best ever quarter after announcement of the merger as (1) deposit accretion was strong while loan growth was controlled, improving LDR (2) NIM slightly enhanced QoQ to 3.63% despite of a sharp fall in LDR QoQ indicating a preference towards pricing over growth and (3) balance sheet was further fortified by creation of floating provisions. Adjusting for one-time ex-gratia of Rs15bn, core PPOP beat PLe by 3.7% led by better fee income and controlled opex. Credila stake sale gains of Rs73.4bn and tax write-back of Rs38.2bn were utilized to create floating provisions of Rs109bn. Contingent and floating provisions as at FY24 end stood at 110bps of net loans which is best-in-class and comparable to ICICIB (109bps). We expect a loan/deposit CAGR of 12%/17% over FY24-26E which would bring down the LDR to 96% by FY26 end (FY24 104%). Tweaking the multiple to 2.6x and rolling forward to Mar'26 core ABV, we maintain TP at Rs2,000. Retain 'BUY'.**

- Beat on core PPOP due to fees; floating provisions created:** NII was largely in-line at Rs291bn (PLe Rs292bn) with tad higher NIM at 3.63% (PLe 3.61%). Yield on loans and CoF were lower as loans/deposits were booked towards the quarter end. Loan/deposit growth as expected was 12.5%/16.9% YoY. Other income was a slight miss at Rs181bn (PLe Rs183bn) although fees were a beat at Rs91bn (PLe Rs85bn). Opex was higher at Rs179bn (PLe Rs167bn) due to staff cost at Rs69bn (PLe Rs56bn) that included one-time ex-gratia provision of Rs15bn. Core PPOP adjusting for ex-gratia was a beat by 3.7% at Rs232bn (PLe Rs209.6bn); PPOP was 5% lower to PLe at Rs293bn. Asset quality was steady due to lower net slippages while GNPA was in-line at 1.24%. Provisions were three-fold higher at Rs135.1bn (PLe Rs30bn) due to creation of floating provision. Net tax was negative Rs7.5bn due to tax write-back of Rs38bn. Core PAT beat PLe by 6.5% at Rs148bn. PAT was Rs165bn.
- We expect a deposit accretion ~17% over FY24-26E:** Loan growth was 1.6% sequentially led by HL (+4.0%), CRB (+3.0%), agri (+13.2%) and unsecured (+2.2%). Interaction with bankers suggest that rate cut in FY25E could be 25-50bps while system loan/deposit accretion might converge, growing at 13% each. LDR for the bank sharply declined by 607bps QoQ to 104.4% (vs 108.5% in FY23) due to acceleration in deposit addition. As focus would be on faster deposit growth and reduction in LDR over FY24-26E, we trim loan CAGR by 1% to 12% and see deposit growth at ~17% CAGR. Basis our estimates, LDR might decline by 400bps per annum and reach 96% by FY26 end.
- Credila stake sale gains/tax write-back used to create floating provisions:** Unlike contingent provision, floating provision of Rs109bn has been created due to favorable business environment as a precaution towards unexpected events. It would be carried for a longer term. Hence as at FY24 end, floating provisions are 50bps of net loans while contingent provisions stood at 60bps taking the total buffer to 110bps which is comparable to ICICIB (109bps).

**Exhibit 1: PAT at Rs165.1bn due to one-time floating provision**

Financials (Rs m)	Q4FY24	Q4FY23	YoY gr. (%)	Q3FY24	QoQ gr. (%)
Interest income	714,728	606,256	17.9	705,826	1.3
Interest Expended	423,959	319,523	32.7	421,113	0.7
<b>Net interest income (NII)</b>	<b>290,768</b>	<b>286,733</b>	<b>1.4</b>	<b>284,713</b>	<b>2.1</b>
- Treasury income	2,500	(377)	(763.1)	14,700	(83.0)
- Credila Stake Sale	73,400	-	-	-	-
Other income	181,663	99,170	83.2	111,370	63.1
<b>Total income</b>	<b>472,431</b>	<b>385,903</b>	<b>22.4</b>	<b>396,084</b>	<b>19.3</b>
Operating expenses	179,688	146,931	22.3	159,611	12.6
-Staff expenses	69,362	46,023	50.7	53,518	29.6
-Other expenses	110,326	100,908	9.3	106,093	4.0
<b>Operating profit</b>	<b>292,742</b>	<b>238,972</b>	<b>22.5</b>	<b>236,473</b>	<b>23.8</b>
<b>Core operating profit</b>	<b>217,380</b>	<b>217,132</b>	<b>0.1</b>	<b>206,603</b>	<b>5.2</b>
Total provisions	135,116	31,234	332.6	42,166	220.4
<b>Profit before tax</b>	<b>157,626</b>	<b>207,738</b>	<b>(24.1)</b>	<b>194,307</b>	<b>(18.9)</b>
Tax	(7,493)	48,609	(115.4)	30,581	(124.5)
<b>Profit after tax</b>	<b>165,119</b>	<b>159,129</b>	<b>3.8</b>	<b>163,725</b>	<b>0.9</b>
<b>Balance sheet (Rs m)</b>					
Deposits	23,797,863	20,355,057	16.9	22,139,770	7.5
Advances	24,848,615	22,089,486	12.5	24,460,757	1.6
<b>Profitability ratios</b>					
YoA – Calc	9.9	9.7	22	10.0	(9)
CoF – Calc	5.9	5.2	74	6.2	(24)
<b>NIM – Calc</b>	<b>3.6</b>	<b>4.1</b>	<b>(47)</b>	<b>3.7</b>	<b>(10)</b>
RoaA – Calc	1.9	2.0	(12)	1.8	8
RoaE - Calc	15.9	16.4	(58)	14.8	106
<b>Asset Quality</b>					
Gross NPL (Rs mn)	311,733	269,720	15.6	310,117	0.5
Net NPL (Rs mn)	80,917	85,621	(5.5)	76,641	5.6
Gross NPL ratio	1.2	1.2	3	1.3	(1)
Net NPL ratio	0.3	0.4	(6)	0.3	1
Coverage ratio – Calc	74.0	68.3	579	75.3	(124)
<b>Business &amp; Other Ratios</b>					
Low-cost deposit mix	38.2	41.1	(289)	37.7	44
Cost-income ratio	38.0	38.1	(4)	40.3	(226)
Non int. inc / total income	38.5	25.7	1,275	28.1	1,033
Credit deposit ratio	104.4	108.5	(411)	110.5	(607)
CAR	18.8	19.8	(97)	18.4	40
Tier-I	16.8	18.0	(116)	16.8	-

Source: Company, PL.

NII was in-line, growing by 1.4% YoY at Rs290.8bn.

Other income was a miss on account of lower treasury and stake sale gain on Credila

Opex was higher at Rs179.7bn owing to one-time ex-gratia provision.

Provision increased due to one-time creation of floating provision amounting to Rs109bn

Advances growth was 12.5% YoY, deposits grew at 16.9% YoY improving CASA ratio to 38.2%

NIM at 3.3.55% despite LDR reduction while Yield on advances came in at 9.9%.

GNPA/NNPA were better at 1.24%/0.33%, while PCR reduced to 74%

C/I ratio improved to 38% while LDR moved to 104.4% due to higher deposit accretion

## Key Q4FY24 Conference Call Highlights

### Assets/Liabilities/Others

- **Mid to Long-Term** focus is to improve RoA and EPS by sustaining granular deposits and maintaining risk-reward based pricing. Operating leverage would play out in future.
- **Deposits (+16.9%YoY):** ~85% of deposits are retail while rates offered are not an outlier. Q4'24 saw more than estimated transitional deposit. Q3'24 faced higher pricing competition where bank lowered its growth consciously. However, in Q4'24, bank was able to gain higher market share on incremental deposits as compared to its stock and aims to continue the same.
- **Advances (12.5% YoY):** In Q4'24, yields were increased leading to a lower advances growth. Bank aims to grow high yielding segments such as CRB and retail. Funds deployed will depend on funds mobilized. Incremental loan growth is mainly a function of risk-reward pricing.
- **PSL:** Target for FY24 was 40% while ~52% was achieved (Vs 35% in Mar'23). Entire PSL was done organically and trajectory is expected to go up. Bank has expanded to 225,000 villages. Couple of years back, access was to 170,000 small and marginal farmers which is 3.5mn today.
- Increment in PSL is from micro enterprises, small farmers and other agri segments. Other small and medium enterprises have seen tepid growth. Yields have increased for this segment as well. Small and Medium enterprises have grown in 715 districts.
- **Current market share** of HDFC Bank is ~11% while that for the largest bank is >20%. Management believes there is a big market yet to capture and growth may be above system in long term but may see some hiccups in environment with unsustainable increase in CoFs.
- **Borrowings:** Going forward, borrowings will mature annually. Current focus is on creating reserves to repay borrowings to be matured. LDR and incremental LDR may be historically low.
- **Treasury bonds** included CPs (~Rs290bn) for short term requirements that were carried from e-HDFCL which was settled through high cost borrowings since banks cannot use CPs. These borrowings may mature in FY25.
- **Branches** may be opened up based on opportunities available as it has an impact on cost to income. Productivity is a key focus area. 917 branches were added in FY24. Deposits (adjusted for HDFCL) improved YoY to Rs2.74bn per branch from Rs2.6bn, suggesting improved productivity.

### NIM/Opex

- **NIM:** Margins are targeted to be at same levels. Bank believes in increasing cost of deposits to meet competition but not to an irrational extent. For short-term, a slower growth or de-growth may happen to avoid a pricing competition not in accordance with their risk-reward matrix.

- Margins are a basis of pricing and not an anchor. Going forward, margins may be affected based on how borrowings of e- HDFCL are replaced.
- **Ex-gratia provision** is one-time in nature created as a reward towards employees for their effort towards successful merger and stabilization.

### Asset quality

- **Floating Provision**, unlike contingency provision, is created on account of business environment being favorable, as a precaution towards any future unexpected events. It is a **one-off** created to bring resiliency and will be carried forward in future.
- Contingency provision is 60bps and overall buffer provision cover is 110bps of total net loans.

### Exhibit 2: CRB (+27.9% YoY) and Retail (11.2% YoY) were key growth drivers

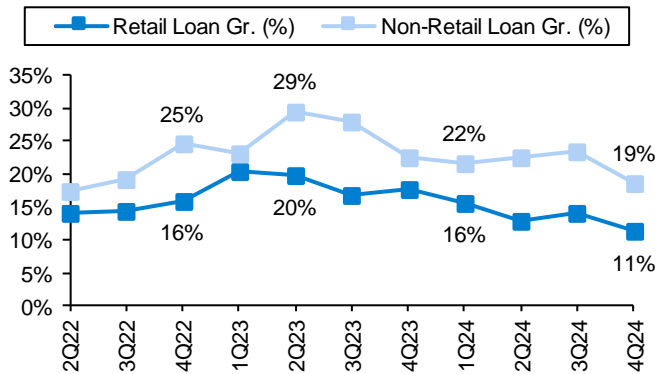
Loan Composition (Rs mn)	Q4FY24	Q4FY23	YoY gr. (%)	Q3FY24	QoQ gr. (%)
Corporate	4,268,000	4,097,120	4.2	4,363,000	(2.2)
HDFCL non-Ind.	807,000	1,213,943	(33.5)	989,000	(18.4)
CRB	7,003,000	5,474,340	27.9	6,800,000	3.0
Agri	1,053,000	817,190	28.9	930,000	13.2
Retail	12,611,000	11,336,907	11.2	12,188,000	3.5
PL	1,846,000	1,716,760	7.5	1,815,000	1.7
Auto	1,311,000	1,174,290	11.6	1,280,000	2.4
Mortgages	7,727,000	6,779,527	14.0	7,432,000	4.0
CC	1,002,000	861,040	16.4	971,000	3.2
2Wheelers	118,000	99,330	18.8	113,000	4.4
Gold	138,000	108,420	27.3	131,000	5.3
Other Retail	469,000	597,540	(21.5)	446,000	5.2
<b>Total Advances</b>	<b>25,078,000</b>	<b>22,347,370</b>	<b>12.2</b>	<b>24,692,000</b>	<b>1.6</b>

Source: Company, PL

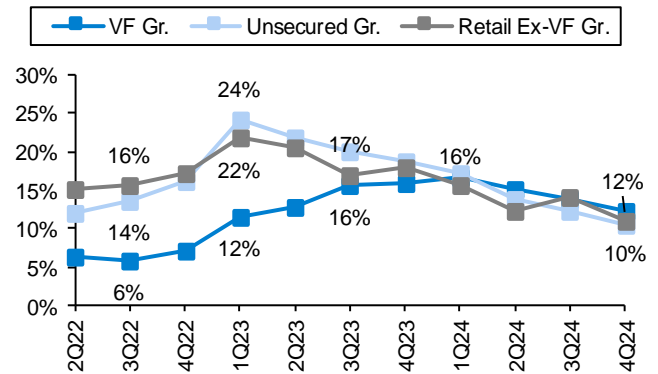
CRB/Retail loans witness strong growth at 27.9%/11.2% YoY.

Home loans saw robust growth of 14% YoY and personal loans grew by 7.5% YoY

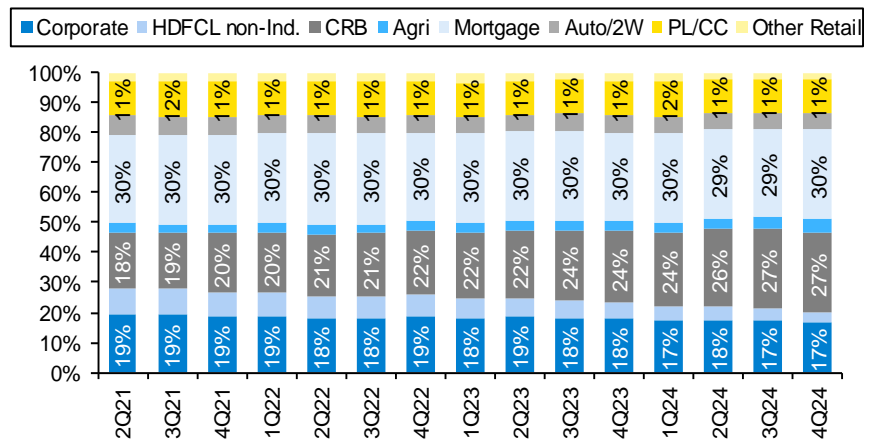
Agri loans continue to grow at higher pace at 28.9% YoY

**Exhibit 3: Retail book growth at 19% YoY**


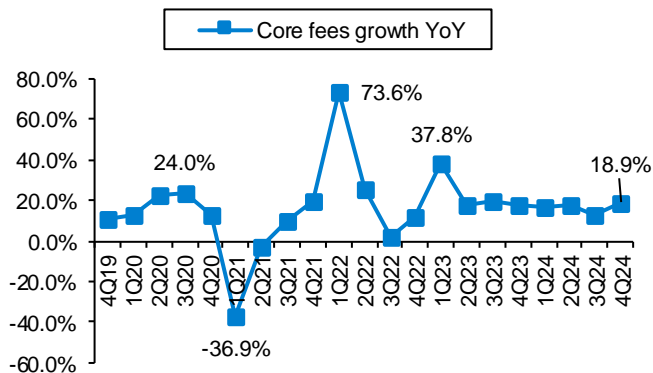
Source: Company, PL

**Exhibit 4: Unsecured growth more calibrated now**


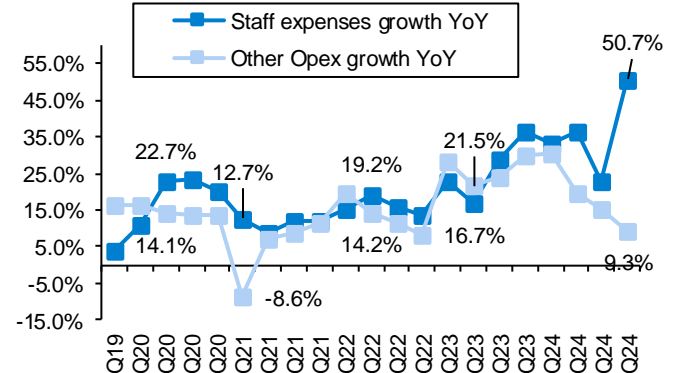
Source: Company, PL

**Exhibit 5: Break up of product wise advances as percentage of total loans**


Source: Company, PL

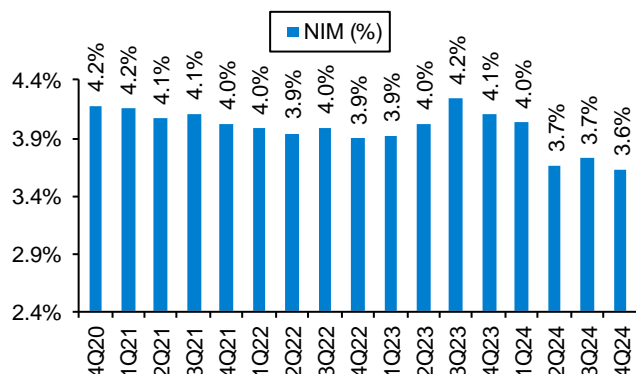
**Exhibit 6: Fee income growth declines to 18.9% YoY**


Source: Company, PL

**Exhibit 7: Staff cost increase due to ex-gratia provision**


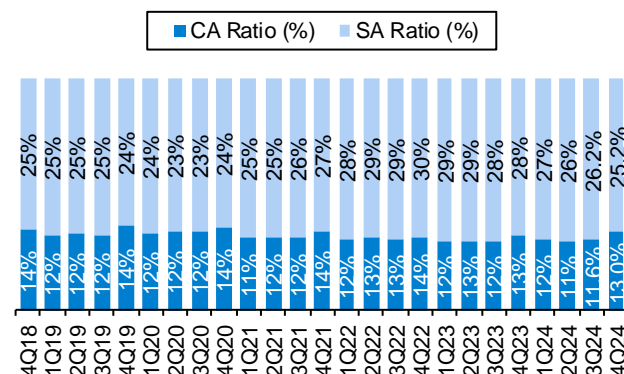
Source: Company, PL

Exhibit 8: NIM stable at 3.6% despite reduction in LDR



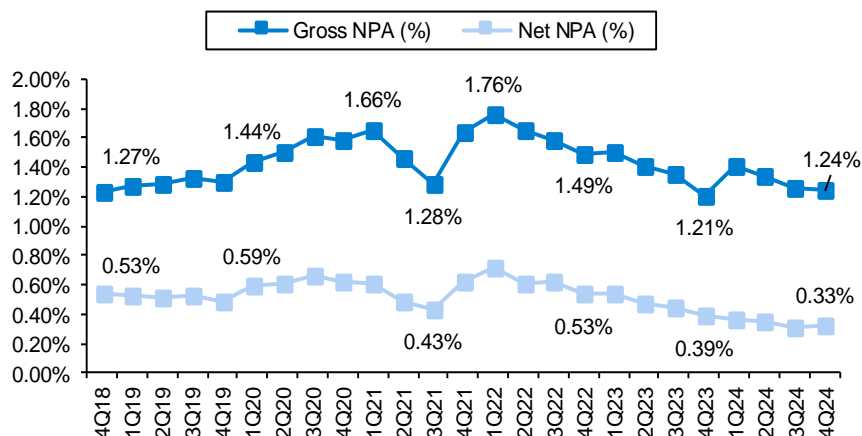
Source: Company, PL

Exhibit 9: CASA improves to 38.2% due to higher CA growth



Source: Company, PL

Exhibit 10: GNPA/NNPA at 1.24%/0.33% respectively



Source: Company, PL

Exhibit 11: Return ratios improvement depends on margin expansion

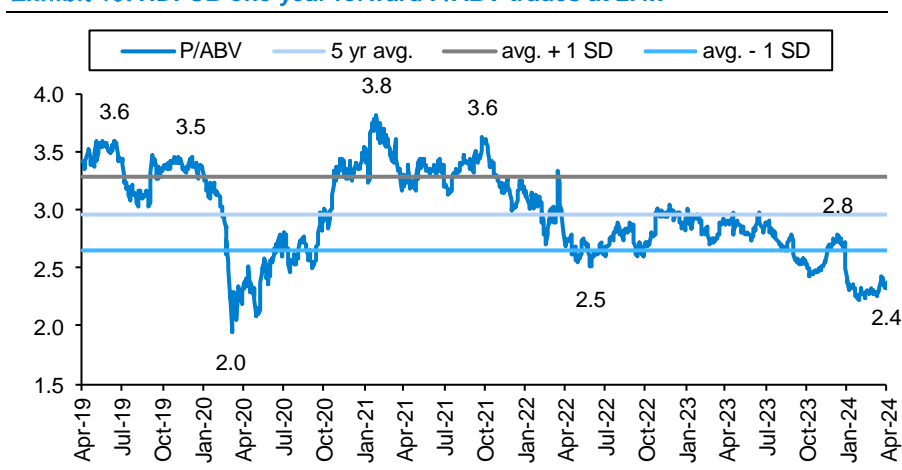
RoA decomposition	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest income	8.8	8.5	7.6	6.9	7.4	8.1	8.1	7.9
Interest expenses	5.0	4.8	3.9	3.3	3.8	4.7	4.8	4.4
<b>Net interest income</b>	<b>3.8</b>	<b>3.7</b>	<b>3.7</b>	<b>3.6</b>	<b>3.6</b>	<b>3.4</b>	<b>3.3</b>	<b>3.4</b>
Other Inc. from operations	1.2	1.9	1.3	1.2	1.1	1.5	1.2	1.2
<b>Total income</b>	<b>5.0</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>4.6</b>
Employee expenses	0.5	0.5	0.5	0.5	0.6	0.7	0.6	0.6
Other operating expenses	1.3	1.3	1.1	1.1	1.2	1.2	1.3	1.3
<b>Operating profit</b>	<b>3.2</b>	<b>3.8</b>	<b>3.3</b>	<b>3.2</b>	<b>3.0</b>	<b>2.9</b>	<b>2.6</b>	<b>2.7</b>
Tax	0.8	0.6	0.5	0.5	0.5	0.3	0.6	0.6
Loan loss provisions	0.5	1.0	0.9	0.7	0.5	0.7	0.3	0.3
<b>RoAA</b>	<b>1.80</b>	<b>2.17</b>	<b>1.84</b>	<b>1.89</b>	<b>1.92</b>	<b>1.89</b>	<b>1.76</b>	<b>1.81</b>
<b>RoAE</b>	<b>15.0</b>	<b>17.6</b>	<b>14.5</b>	<b>14.9</b>	<b>15.8</b>	<b>15.6</b>	<b>14.4</b>	<b>14.8</b>

Source: Company, PL

**Exhibit 12: SOTP Valuation of Rs2000, core bank valued at 2.6x on FY26E**

Particulars	Stake	Rs per share	% of total	Valuation (x)	Basis
<b>Standalone</b>	100.0%	1,811	89.6	2.6	Mar'26 ABV
HDFC Life	50.4%	87	4.3	1.0	Mkt Cap
HDFC AMC	52.6%	60	3.0	39	FY26E core PAT
HDB Financials	94.6%	39	1.9	2.5	Mar'24 ABV
HDFC Ergo	50.5%	12	0.6	40.0	Mar'24 PAT
HSL	95.1%	12	0.6	10.0	Mar'24 PAT
<b>Total</b>		<b>2,021</b>	<b>100.0</b>		
Holdco discount 10%		21			
<b>Target Price</b>		<b>2,000</b>			

Source: Company, PL

**Exhibit 13: HDFCB one year forward P/ABV trades at 2.4x**


Source: Company, PL



### Income Statement (Rs. m)

Y/e Mar	FY23	FY24	FY25E	FY26E
Int. Earned from Adv.	17,85,469	22,23,802	25,00,497	27,26,322
Int. Earned from invt.	3,44,268	4,54,095	5,17,613	5,69,616
Others	25,745	47,158	50,815	50,815
Total Interest Income	21,68,280	27,46,192	30,88,482	33,67,667
Interest Expenses	11,07,381	16,09,064	18,21,040	19,07,152
<b>Net Interest Income</b>	<b>10,60,899</b>	<b>11,37,128</b>	<b>12,67,442</b>	<b>14,60,515</b>
Growth(%)	15.7	17.6	5.7	14.8
Non Interest Income	3,27,936	4,95,999	4,57,968	5,19,511
Net Total Income	13,88,835	16,33,127	17,25,410	19,80,025
Growth(%)	23.3	29.9	9.4	9.6
Employee Expenses	1,65,376	2,25,045	2,38,275	2,68,798
Other Expenses	3,50,715	4,20,919	4,80,027	5,58,067
Operating Expenses	5,16,091	6,45,964	7,18,302	8,26,865
<b>Operating Profit</b>	<b>8,72,744</b>	<b>9,87,163</b>	<b>10,07,108</b>	<b>11,53,161</b>
Growth(%)	10.4	13.1	2.0	14.5
NPA Provision	1,35,722	2,28,023	1,12,063	1,20,227
Total Provisions	1,37,147	2,39,121	1,24,004	1,33,588
<b>PBT</b>	<b>7,35,598</b>	<b>7,48,042</b>	<b>8,83,104</b>	<b>10,19,573</b>
Tax Provision	1,74,562	1,08,798	2,11,945	2,44,698
Effective tax rate (%)	23.7	14.5	24.0	24.0
<b>PAT</b>	<b>5,61,036</b>	<b>6,39,244</b>	<b>6,71,159</b>	<b>7,74,876</b>
Growth(%)	19.1	13.9	5.0	15.5

### Balance Sheet (Rs. m)

Y/e Mar	FY23	FY24	FY25E	FY26E
Face value	1	1	1	1
No. of equity shares	7,490	7,597	7,597	7,597
Equity	7,490	7,597	7,597	7,597
Networth	38,00,396	44,02,458	49,39,385	55,39,914
Growth(%)	15.1	15.8	12.2	12.2
Adj. Networth to NNPA's	85,628	80,917	85,695	93,195
Deposits	2,03,60,707	2,37,97,863	2,77,87,861	3,24,35,853
Growth(%)	18.3	16.9	16.8	16.7
CASA Deposits	83,59,889	90,87,000	1,04,37,676	1,22,25,345
% of total deposits	41.1	38.2	37.6	37.7
<b>Total Liabilities</b>	<b>3,15,92,767</b>	<b>3,61,76,231</b>	<b>4,03,00,759</b>	<b>4,54,29,467</b>
Net Advances	2,20,89,486	2,48,48,615	2,78,18,391	3,11,43,098
Growth(%)	14.8	12.5	12.0	12.0
Investments	60,06,690	70,24,150	81,34,884	94,03,308
<b>Total Assets</b>	<b>3,15,92,767</b>	<b>3,61,76,231</b>	<b>4,03,00,759</b>	<b>4,54,29,467</b>
Growth (%)	17.9	14.5	11.4	12.7

### Asset Quality

Y/e Mar	FY23	FY24	FY25E	FY26E
Gross NPAs (Rs m)	2,69,720	3,12,780	3,42,780	3,72,780
Net NPAs (Rs m)	85,628	80,917	85,695	93,195
Gr. NPAs to Gross Adv.(%)	1.2	1.2	1.2	1.2
Net NPAs to Net Adv. (%)	0.4	0.3	0.3	0.3
NPA Coverage %	68.3	74.1	75.0	75.0

### Profitability (%)

Y/e Mar	FY23	FY24	FY25E	FY26E
NIM	3.8	3.5	3.5	3.6
RoAA	1.9	1.9	1.8	1.8
RoAE	15.8	15.6	14.4	14.8
Tier I	18.0	16.8	16.9	16.9
CRAR	21.3	18.8	19.0	18.9

Source: Company Data, PL Research

### Quarterly Financials (Rs. m)

Y/e Mar	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Interest Income	6,48,655	6,76,984	7,05,826	7,14,728
Interest Expenses	3,60,861	4,03,132	4,21,113	4,23,959
<b>Net Interest Income</b>	<b>2,87,794</b>	<b>2,73,852</b>	<b>2,84,713</b>	<b>2,90,768</b>
YoY growth (%)	20.3	6.7	2.3	1.4
CEB	63,372	69,360	69,400	79,900
Treasury	-	-	-	-
Non Interest Income	95,888	1,07,078	1,11,370	1,81,663
<b>Total Income</b>	<b>3,83,682</b>	<b>3,80,931</b>	<b>3,96,084</b>	<b>4,72,431</b>
Employee Expenses	50,464	51,702	53,518	69,362
Other expenses	1,02,209	1,02,290	1,06,093	1,10,326
Operating Expenses	1,52,673	1,53,992	1,59,611	1,79,688
<b>Operating Profit</b>	<b>2,31,009</b>	<b>2,26,939</b>	<b>2,36,473</b>	<b>2,92,742</b>
YoY growth (%)	20.4	3.6	3.2	29.5
Core Operating Profits	2,11,583	2,01,430	2,06,603	2,17,380
NPA Provision	-	-	-	-
Others Provisions	32,800	29,038	42,166	1,35,116
Total Provisions	32,800	29,038	42,166	1,35,116
<b>Profit Before Tax</b>	<b>1,98,209</b>	<b>1,97,900</b>	<b>1,94,307</b>	<b>1,57,626</b>
Tax	47,570	38,139	30,581	(7,493)
<b>PAT</b>	<b>1,50,639</b>	<b>1,59,761</b>	<b>1,63,725</b>	<b>1,65,119</b>
YoY growth (%)	28.1	15.0	9.2	10.7
<b>Deposits</b>	<b>2,06,38,000</b>	<b>2,17,28,578</b>	<b>2,21,39,770</b>	<b>2,37,97,863</b>
YoY growth (%)	16.2	18.3	16.8	16.9
<b>Advances</b>	<b>2,22,09,816</b>	<b>2,33,12,329</b>	<b>2,44,60,757</b>	<b>2,48,48,615</b>
YoY growth (%)	13.2	13.1	16.7	12.5

### Key Ratios

Y/e Mar	FY23	FY24	FY25E	FY26E
CMP (Rs)	1,531	1,531	1,531	1,531
EPS (Rs)	74.9	84.1	88.3	102.0
Book Value (Rs)	507	580	650	729
Adj. BV (70%)(Rs)	496	569	639	717
P/E (x)	20.4	18.2	17.3	15.0
P/BV (x)	3.0	2.6	2.4	2.1
P/ABV (x)	3.1	2.7	2.4	2.1
DPS (Rs)	18.8	16.8	17.7	20.4
Dividend Payout Ratio (%)	-	-	-	-
Dividend Yield (%)	1.2	1.1	1.2	1.3

### Efficiency

Y/e Mar	FY23	FY24	FY25E	FY26E
Cost-Income Ratio (%)	37.2	39.6	41.6	41.8
C-D Ratio (%)	108.5	104.4	100.1	96.0
Business per Emp. (Rs m)	257	216	233	237
Profit per Emp. (Rs lacs)	34	28	28	29
Business per Branch (Rs m)	5,428	5,567	5,652	5,813
Profit per Branch (Rs m)	72	73	68	71

### Du-Pont

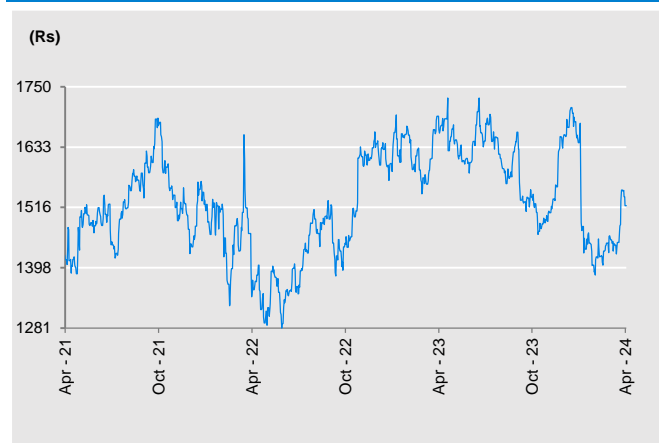
Y/e Mar	FY23	FY24	FY25E	FY26E
NII	3.63	3.36	3.31	3.41
Total Income	4.76	4.82	4.51	4.62
Operating Expenses	1.77	1.91	1.88	1.93
PPoP	2.99	2.91	2.63	2.69
Total provisions	0.47	0.71	0.32	0.31
RoAA	1.92	1.89	1.76	1.81
RoAE	15.80	15.59	14.37	14.79

Source: Company Data, PL Research



## Price Chart

## Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Apr-24	BUY	2,000	1,547
2	17-Jan-24	BUY	2,000	1,679
3	08-Jan-24	BUY	2,025	1,682
4	17-Oct-23	BUY	2,025	1,530
5	07-Oct-23	BUY	2,025	1,534
6	21-Sep-23	BUY	2,025	1,564
7	18-Jul-23	BUY	2,025	1,679
8	06-Jul-23	BUY	2,025	1,675
9	25-May-23	BUY	1,925	1,610
10	22-Apr-23	BUY	1,925	1,672

## Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Hold	1,660	1,626
2	Axis Bank	BUY	1,250	1,076
3	Bank of Baroda	BUY	270	268
4	Can Fin Homes	BUY	900	799
5	City Union Bank	Accumulate	160	155
6	DCB Bank	BUY	160	126
7	Federal Bank	BUY	180	155
8	HDFC Asset Management Company	BUY	3,900	3,501
9	HDFC Bank	BUY	2,000	1,547
10	ICICI Bank	BUY	1,300	1,087
11	IndusInd Bank	BUY	1,740	1,568
12	Kotak Mahindra Bank	BUY	2,250	1,788
13	LIC Housing Finance	Hold	540	649
14	Nippon Life India Asset Management	BUY	610	508
15	State Bank of India	BUY	770	768
16	UTI Asset Management Company	BUY	900	875

## PL's Recommendation Nomenclature (Absolute Performance)

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

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