15 July 2026

Annual Report Update | Sector: Financials

HDFC Bank

BSE SENSEX	S&P CNX
77,185	24,079

Stock Info

Bloomberg	HDFCB IN
Equity Shares (m)	15385
M.Cap.(INRb)/(USDb)	12559 / 130.5
52-Week Range (INR)	1021 / 727
1, 6, 12 Rel. Per (%)	4/-6/-14
12M Avg Val (INR M)	26769
Free float (%)	100.0

Financials Snapshot (INR b)

Y/E	FY26	FY27E	FY28E
NII	1,287	1,444	1,705
OP	1,186	1,230	1,467
NP	747	832	974
NIM (%)	3.3	3.3	3.5
EPS (INR)	48.5	54.1	63.3
EPS Gr. (%)	10.2	11.4	17.1
BV/Sh. (INR)	366	399	452
ABV/Sh. (INR)	352	384	435
Ratios			
RoA (%)	1.8	1.8	1.9
RoE (%)	14.2	14.1	14.9
Valuations			
P/E(X)	17.0	15.3	13.0
P/E(X)*	14.3	12.8	10.9
P/BV (X)	2.3	2.1	1.8
P/ABV (X)*	2.0	1.8	1.6

*adj for subs

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	0.0	0.0	0.0
DII	36.3	34.9	31.1
FII	49.6	51.5	55.7
Others	14.1	13.6	13.2

FII Includes depository receipts

CMP: INR815 TP: INR1,100 (+35%) Buy

Deepening the moats

AI and digital capabilities remain key business enablers

- **HDFC Bank's (HDFCB) FY26 annual report highlights its focus on sustainable, profitable growth over the medium term, supported by continued investments in network and distribution expansion and digital capabilities.**
- **In FY26, the bank grew its loan book by 12.1% while reducing its C/D ratio to 94.6% from 96.5%. Growth was driven by the small and mid-market segment (+17% YoY), while growth in the unsecured segment remained calibrated.**
- **The liability franchise remains robust, supported by granular deposit mobilization, improving tech capabilities, and stronger cross-selling. The recent FCNR(B) scheme also places HDFCB in an advantageous position to tap its large customer franchise and garner sizeable FCNR deposits.**
- **The share of borrowings in the total B/S has declined to 11% as of Mar'26, compared to the peak of 18% post-merger. We expect this to further decline to 8% by FY28, supporting a lower cost of funds and margin reflation.**
- **Operating leverage is expected to improve, driven by the ramp-up of branches over the last few years, organizational restructuring on the asset side, improving employee productivity via cross-selling of products, and embedding AI across the bank.**
- **Asset quality remains best-in-class, with GNPA/NNPA ratios at 1.2%/0.4%, and credit costs are expected to remain below ~50bp. The bank's prudent provisioning strategy, including a floating provision buffer of INR214b and a contingency buffer of INR157b, provides additional comfort.**
- **We estimate HDFCB to deliver a loan CAGR of 14.1% over FY26-28, alongside an earnings CAGR of 14.2%. We project FY28E RoA/RoE of 1.9%/14.9% and reiterate our BUY with a TP of INR1,100 (2.2x FY28E ABV + INR133 for subsidiaries).**

Loan book to gain traction; estimate 14.1% CAGR over FY26-28

HDFCB's loan growth increased to 12.1% in FY26 from 5.4% in FY25, helping ease the C/D ratio by 210bp during the year to 94.6%. Growth was driven by the small and mid-market segment (+17% YoY), especially business banking (20% YoY), and the wholesale segment (13% YoY). The retail loan book grew ~6% YoY, supported by an uptick in personal loans (up 9% YoY) and gold loans (up 33% YoY), while payment products remained sluggish (0.2% YoY), in line with industry trends. We expect the C/D ratio to moderate to 93%% by FY28, as the bank expects FY27 credit growth to surpass industry growth in FY27. We estimate HDFCB to deliver a loan CAGR of 14.1% over FY26-28.

Healthy liability momentum; FCNR(B) remains an additional opportunity

HDFCB's deposit growth (14.4% YoY) outpaced system growth (13.5%) in FY26. The bank's outstanding deposit market share was stable at 11.8%. It continues to focus on building a granular, high-quality liability base through enhanced customer engagement and superior product proposition rather than aggressive rate competition. The CASA ratio declined to 34.1% as of Mar'26 from 35.0% in Mar'25, as garnering CASA deposits remains an industry-wide challenge. The FCNR(B) swap window introduced by the RBI is likely to benefit large private banks, especially HDFCB, to garner NRI deposits, given its large customer franchise and overseas presence. In 2013, HDFCB had captured 13-14% of FCNR(B) inflows and held the largest market share among individual mobilizers.

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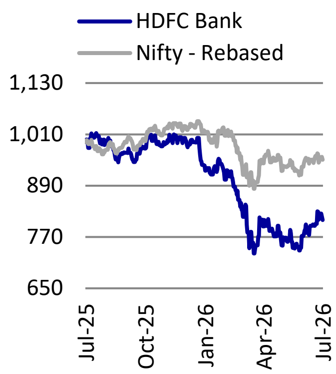
Stock Performance (1-year)



Borrowings mix as % of balance sheet eases to 11% (18% post-merger)

The bank is gradually improving its pricing power across asset classes and replacing costly borrowings (borrowings as a % of total B/S stood at 11% in FY26 vs 8% in FY23 pre-merger) with deposits to improve margins, which stand at 3.30%. Of HDFC Ltd.'s borrowings of INR2.25t as of Mar'26, ~20 % is due for repayment over the next two years up to FY28, while the balance 80% is due thereafter. The recent 100bp policy rate cuts have resulted in near-term NIM contraction, which was partly offset by SA and TD rate cuts in FY26. With the ongoing reduction in expensive borrowings, HDFCB is well-positioned to improve its margin trajectory over the medium term. Its continued focus on enhancing the CASA ratio and asset mix is likely to support margin recovery to 3.47% by FY28.

Consistent net seller of PSLCs; RIDF deposits on a declining trend

PSLC sales remained healthy at INR2.0t in FY26, against PSLC purchases of INR0.7t, marking the bank's third consecutive year as a net seller. While the overall PSL target has been comfortably met, the bank is addressing minor gaps in sub-categories such as Small & Marginal Farmers and weaker sections. Deposits with NABARD/SIDBI/NHB have reduced to INR947b from INR1,071b and now form 2.2% of total assets, compared to 2.7% in FY25. The steady decline in RIDF deposits reflects the bank's consistent improvement in meeting its PSL requirements.

Operating leverage to be a key driver for earnings reflation

HDFCB continues to strengthen its distribution franchise through calibrated branch expansion and digital investments while maintaining tight cost discipline. The bank added 234 branches in FY26, with expansion moderating after an aggressive rollout over the past five years. Despite continued investments in technology, opex grew only 6.4% YoY vs the balance sheet growth of 11.5% YoY, driving further improvement in the cost-to-income ratio to 38.0% and cost-to- assets to 1.66%. We expect operating leverage from the expanded branch network, coupled with organizational restructuring and higher cross-selling, to support further productivity gains, enabling a gradual improvement in operating efficiency.

Bancassurance growth muted; cross-sell critical for earnings reflation

HDFCB's customer base of over 100m remains a key driver of cross-sell-led fee income growth, supported by its extensive distribution network and analytics capabilities. Fee income growth moderated to 9% YoY in FY26, led by strong retail asset fees (+17% YoY) but offset by softer growth in third-party products and payment fees. Bancassurance income also remained subdued, growing 4% YoY due to weaker market-linked distribution income, reducing its contribution to total fees to 23.5% from 24.9% in FY25. Going forward, the bank's large retail and MSME franchise should support steady growth in cross-selling and fee income.

Accelerating digital leadership by embedding AI across business functions

HDFCB continues to strengthen its technology capabilities through its in-house AI platform, Neev, enabling AI-led customer engagement, process automation, risk management, and operational efficiency. The bank has further enhanced its digital banking ecosystem by upgrading its net banking and mobile platforms while improving the reliability and scalability of its payments infrastructure. Its

SmartWealth platform is driving higher customer engagement, while PayZapp and the all-digital Pixel credit card continue to gain traction. HDFCB has also established a new technology and digital center in Guwahati to enhance operational resilience and execution capacity. Additionally, the rollout of GenAI-powered agentic bots is improving customer service and equipping frontline employees with real-time information, supporting better customer experience and productivity.

Asset quality steady; NPA granularity improves sharply

HDFCB continues to deliver best-in-class asset quality, supported by prudent underwriting and a calibrated risk management framework, with GNPA/NNPA at 1.15%/0.38% as of Mar'26. In FY26, the bank further strengthened its balance sheet by creating additional floating (INR90b) and contingent provisions (INR17b), aided by gains from the HDB Financial stake sale. The unsecured portfolio has remained resilient despite industry-wide stress, with retail GNPA (excluding agriculture) at ~0.7%. There has also been a sharp decline in the concentration of the top 20 NPA accounts from 21% in Mar'25 to 12% in Mar'26. Healthy asset quality across MSME and agriculture portfolios, along with a conservative provisioning approach, should help keep credit costs contained at ~50bp over the medium term.

Valuation and view: Reiterate BUY with a TP of INR1,100

HDFCB witnessed a pickup in credit growth in FY26 while maintaining healthy liability accretion, thereby gradually improving its C/D ratio. We expect the bank to maintain a healthy growth rate, in line with the system. It has continued to deliver resilient asset quality, supported by robust underwriting and a strong understanding of market cycles. The bank also holds a healthy pool of provisioning buffer (floating + contingent) of INR371b (1.3% of loans). Despite the rate-cut environment in FY26, the bank outperformed most of its peers with limited margin contraction, aided by an improving asset mix and the retirement of high-cost borrowings, although the CASA mix remained under pressure. We expect NIMs to expand gradually, driven by a lower cost of funds (as high-cost borrowings are replaced with deposits). Accordingly, we expect HDFCB to deliver ~15% NII CAGR over FY26-28, supported by a healthy credit CAGR of 14.1%, stable asset quality with credit costs contained under 50bp, and improved operative leverage. **We estimate HDFCB to deliver FY28E RoA/RoE of 1.9%/14.9%. We reiterate BUY with a TP of INR1,100 (2.2x FY28E ABV + INR133 for subsidiaries).**

Growth momentum to pick up; est. 14.1% CAGR over FY26-28

Expect FY27 growth to be in line with system growth

- HDFCB's loan growth increased to 12.1% in FY26 from 5.4% in FY25, helping ease the CD ratio by 210bp to 94.6% during the year. Growth was driven by the small and mid-market segment (+17% YoY), especially business banking (20% YoY), and the wholesale segment (13% YoY). The retail loan book grew ~6% YoY, with personal loans (up 9% YoY) and gold loans witnessing some uptick (up 33% YoY), while growth in payment products remained sluggish (0.2% YoY), in line with industry trends.
- The bank has indicated that it expects to grow above industry levels from FY27, with growth likely to be broad-based. We believe HDFCB will be among the largest beneficiaries of RBI's relief measures on FCNR(B) deposits and overseas borrowings, which should aid deposit mobilization, keep the C/D ratio in check, and support its growth trajectory. We estimate HDFCB's loan CAGR at 14.1% over FY27/28.
- We expect the C/D ratio to moderate to 93.0% in the medium term, while the bank expects FY27 credit growth to surpass industry growth.

Exhibit 1: Estimate loan growth of ~13.8%/14.5% in FY27/28

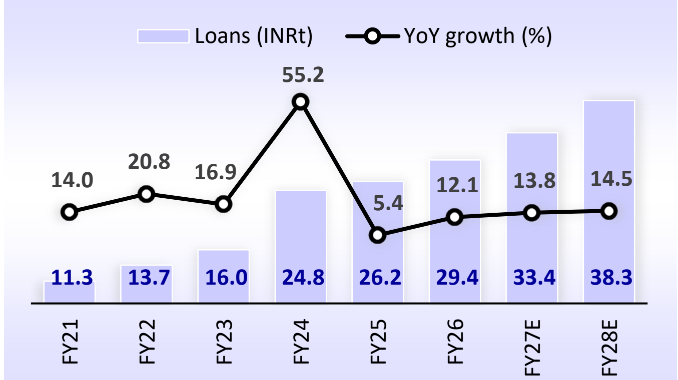
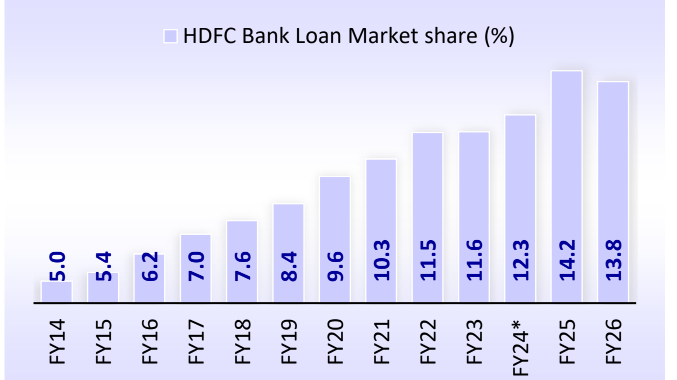
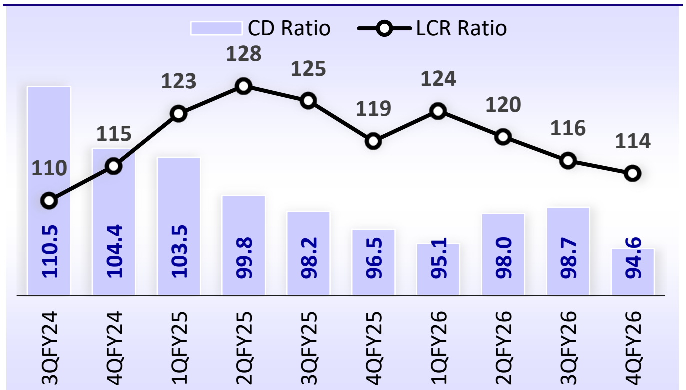


Exhibit 2: Loan market share stood at 13.8% as of Mar'26



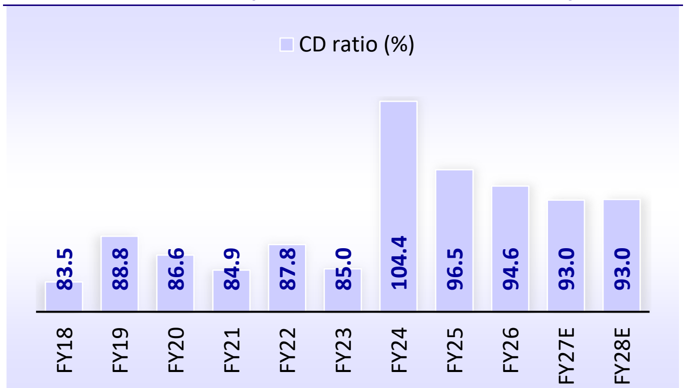
Source: MOFSL, Company, Note: FY24 excludes HDFC Ltd

Exhibit 3: CD ratio eased sharply to 94.6% as of Mar'26



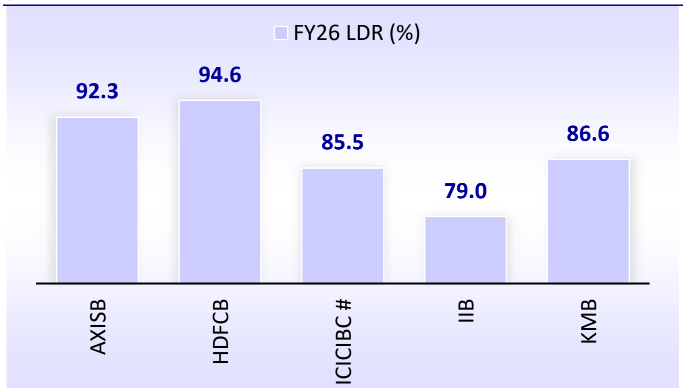
Source: MOFSL, Company

Exhibit 4: LDR ratio expected to decline to 93.0% by FY28



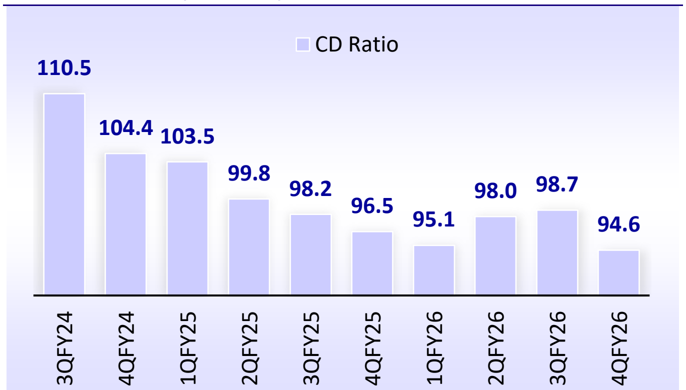
Source: MOFSL, Company

Exhibit 5: HDFCB still has the highest LDR compared to peers…



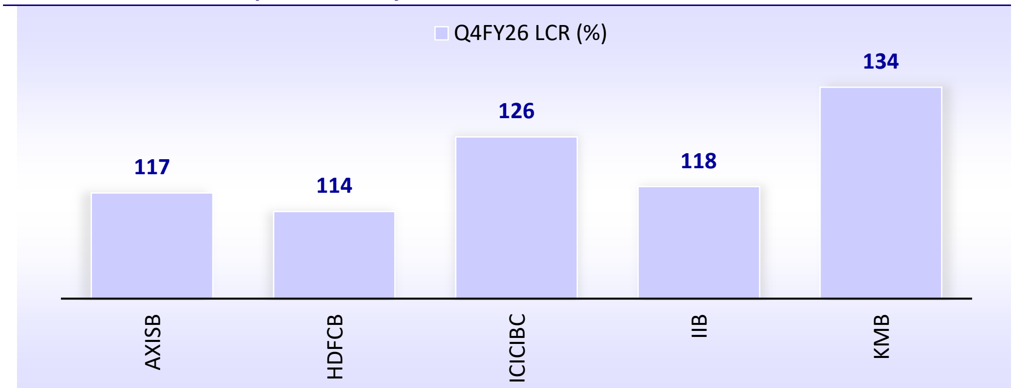
Source: MOFSL, Company | #ICICIBC - Domestic C/D ratio

Exhibit 6: …however, it has reported a sharp improvement in LDR over the past 10 quarters



Source: MOFSL, Company

Exhibit 7: LCR at 114% provides very little headroom



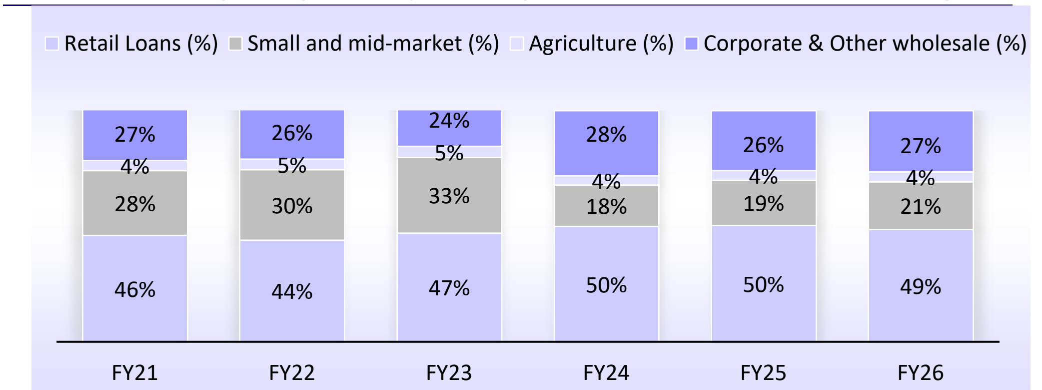
Source: Company, MOFSL

Small and mid-market segments driving growth

- HDFCB has significantly diversified its loan portfolio, with retail loans now comprising ~48.6% and the share of mortgages at 29.1% of total loans. Small and mid-market, including Agriculture, now accounts for 24.9%, with corporate loans at 26.5%.
- The business banking book within the small and mid-market segment has been the biggest growth driver for HDFCB over the last couple of years, expanding at a 20% CAGR. Commercial transportation and agriculture have posted a CAGR of 12% and 11%, respectively, over the last two years.
- The retail segment posted relatively muted YoY growth of 6.2% in FY26, as the bank focused on lowering its LDR. Growth in the personal loans segment remained calibrated at 9% YoY in FY26, while credit card growth was muted, in line with industry trends. HDFCB's unsecured loan mix has remained well contained over recent quarters, standing at 10.8%, slightly lower than that of other major private peers.
- The corporate sector witnessed some uptick over the last couple of quarters, growing 13.0% YoY, with banks gaining better pricing power in large and mid-corporate segments amid rising bond yields.

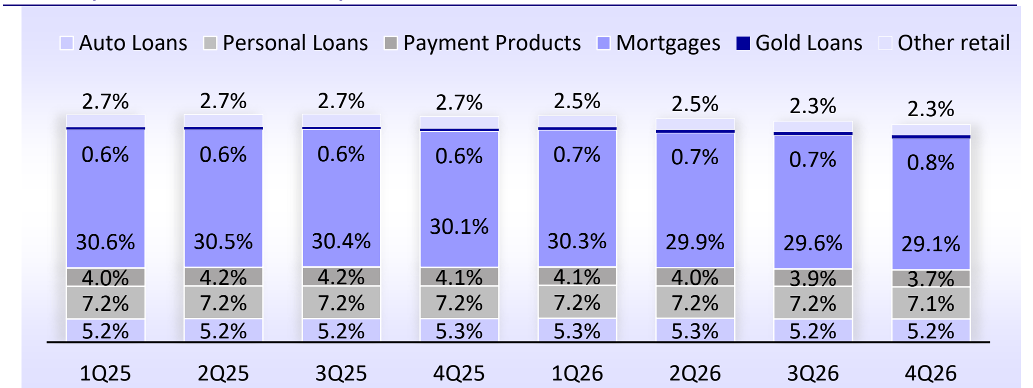
While HDFCB's retail loan growth has been slower than other private peers, the focus has shifted toward more profitable growth in segments such as business banking and commercial transportation.

Exhibit 8: Loan mix gained granularity with a higher share of small and mid-market segment



Source: Company, MOFSL

Exhibit 9: Retail loan mix as a % of total advances: Unsecured mix declined to 10.8% as of Mar'26 (vs 11.3% as of Mar'25)



Source: Company, MOFSL

Exhibit 10: Unsecured loan mix – HDFCB witnessed the least reduction in the unsecured mix

Banks	FY25	FY26	YoY
HDFCB	11.3%	10.8%	-44
ICICIBC	13.3%	11.9%	-147
AXSB	11.6%	10.3%	-128
KMB	**9.0%**	**7.7%**	**-130**

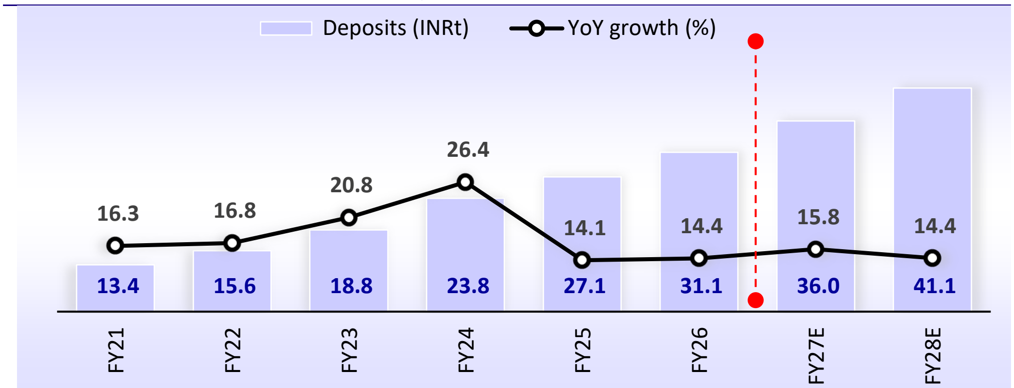
Source: MOFSL, Company

Healthy deposit mobilization continues

Strong progress on liabilities supporting improved growth outlook

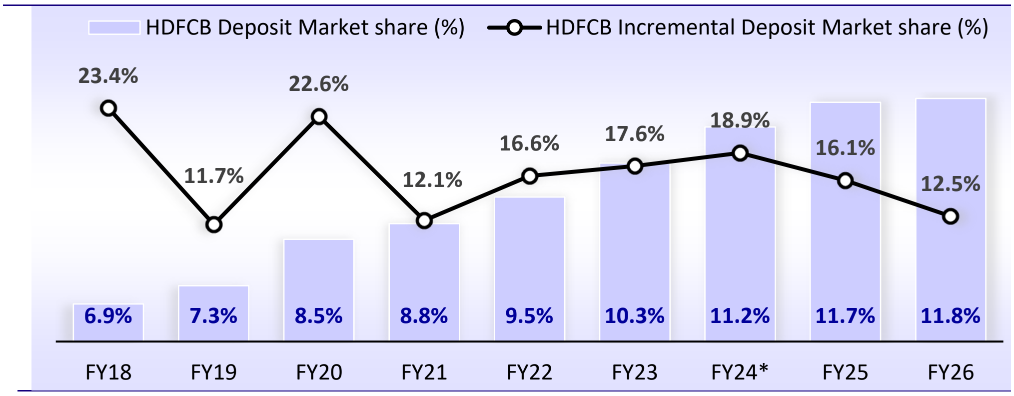
- Deposit growth continued to outpace the system and stood at 14.4% YoY in FY26, compared to system growth of ~13.5% YoY. HDFCB continues to upgrade its liability franchise by improving its customer engagement, providing a diversified product pool, and improving its tech efficiencies.
- HDFCB's CASA mix declined to 34.1% as of Mar'26, compared to 34.8% in Mar'25. Management has indicated that core retail deposits (including higher ticket sizes) are growing steadily and nearing wholesale levels.
- Average retail deposits accounted for 82% of total deposits as of Mar'26. The share of liability accounts from erstwhile HDFC customers also increased from ~37% to ~49.5% in FY26, indicating the commencement of merger synergies.
- The FCNR(B) swap window introduced by the RBI is likely to benefit large private banks, especially HDFCB, in garnering NRI deposits, given its large customer franchise and overseas presence. During the 2013 concessional USD/INR swap window, HDFCB mobilized USD3.4b (~13% share of total FCNR(B) deposits), higher than the USD2b each raised by SBIN and ICICIBC. With one of the largest NRI banking businesses, HDFCB is well positioned to capitalize on this opportunity, which could support deposit growth and strengthen its foreign currency funding profile.
- We expect the liability profile to continue strengthening with a rising deposit mix, which should help lower the C/D ratio to 93% by FY28. We estimate deposits to post ~15.1% CAGR over FY26-28.

Exhibit 11: Estimate ~15% CAGR in deposits over FY26-28



Source: Company, MOFSL

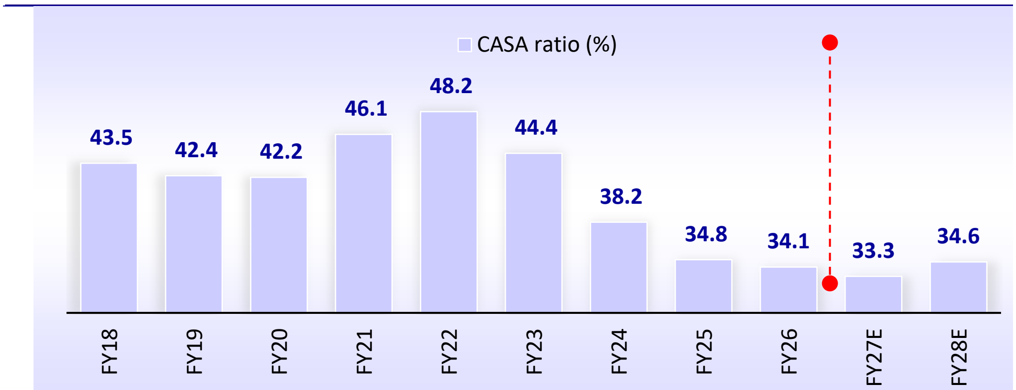
Exhibit 12: Deposit market share at ~11.8% as of Mar'26, as the bank continues to gain incremental market share



*FY24 deposits are excluding HDFC Ltd Source: Company, MOFSL

Exhibit 13: CASA mix deteriorated to ~34.1% in Mar'26; estimate CASA to decline marginally in FY27 before improving in FY28

We expect HDFCB's CASA ratio to improve gradually to 34.6% by Mar'28.



Source: Company, MOFSL

Exhibit 14: FCNR (B) Interest rates increased across banks from 3-4% earlier to 6.0-7.1%

FCNR (B) Interest Rates (%)	USD < 1million			USD > 1million		
	USD - 3 to 4 years	USD - 4 to 5 years	5 Years only	USD - 3 to 4 years	USD -4 to 5 years	5 Years only
HDFCB	6.00	6.00	6.00	6.00	6.00	6.00
ICICIBC	6.00	6.00	6.00	6.00	6.00	6.00
AXSB	6.00	6.00	6.00	6.00	6.00	6.00
KMB	6.00	6.00	6.00	6.15	6.15	6.15
IIB	6.60	6.65	6.75	6.60	6.65	6.75
SBIN	5.25	5.50	5.75	5.50	5.75	6.00
BOB	6.00	6.10	6.25	6.00	6.10	6.25
CBK	6.50	6.50	6.50	6.50	6.50	6.50
PNB	6.40	6.45	6.50	NA	NA	NA
UNBK	6.10	6.25	6.45	6.20	6.40	6.60
INBK	6.00	6.25	6.50	5.60	5.85	6.10
FB	6.25	6.25	6.25	6.25	6.25	6.25
AUBANK	7.10	7.00	7.00	7.10	7.00	7.00
EQUITASB	7.13	7.13	NA	7.13	7.13	NA
RBK	6.25	6.30	6.35	6.25	6.30	6.35
IDFCB	6.75	6.75	6.75	6.75	6.75	6.75
BANDHAN	7.00	7.00	7.00	7.10	7.10	7.10
DCBB	7.13	7.13	7.13	7.13	7.13	7.13

Source: MOFSL, Company

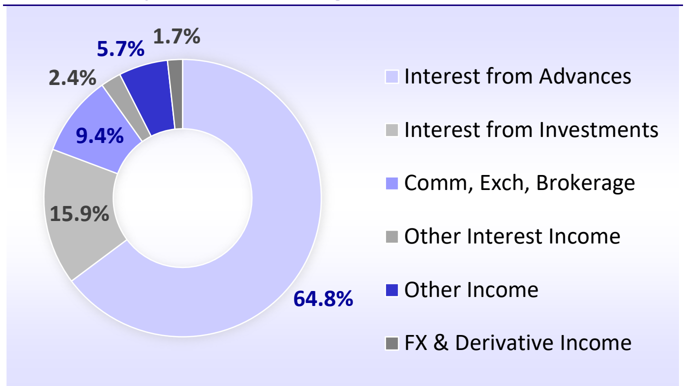
Borrowings mix as % of balance sheet eases to 11%

20% of HDFC Ltd.'s borrowings to be replaced over the next two years

- HDFCB, during a period of relatively moderate loan growth, has been increasingly focused on exercising better pricing power on the asset side. On the other side, high-cost borrowings are gradually being replaced by deposits, translating into lower cost of funds and supporting margin expansion.
- Despite the impact of a 125bp rate cut in FY26, HDFCB's NIMs contracted only 14bp from 3.46% in FY25 to 3.30% in FY26, faring much better than other large private banks, except ICICIBC, which witnessed margin contraction of 28-32bp.
- Borrowings declined by 11% YoY in FY26, with their share in total B/S at 11% as of Mar'26 vs 18% in FY24 post-merger and 8% in FY23 pre-merger. **Of HDFC Ltd.'s borrowings of INR2.25t as of Mar'26, ~20% is due for repayment over the next two years up to FY28, while the balance 80% is due thereafter**. HDFC Ltd.'s borrowings formed 46% of total borrowings as of Mar'26, compared to 61% post-merger. HDFCB is replacing its high-cost borrowings with deposits, which is likely to be the key driver for margin reflation going forward. We expect borrowings to decline to 8% of the B/S by Mar'28.
- Given the elevated inflationary pressures, the rate environment is expected to remain stable for most of FY27, with some likelihood of a rate hike by the end of the year. With the ongoing reduction in expensive borrowings, HDFCB is well-positioned to improve its margin trajectory over the medium term. We expect NIMs to expand to 3.32%/3.47% in FY27/FY28 from 3.30% in FY26, largely driven by improvement in the cost of funds.

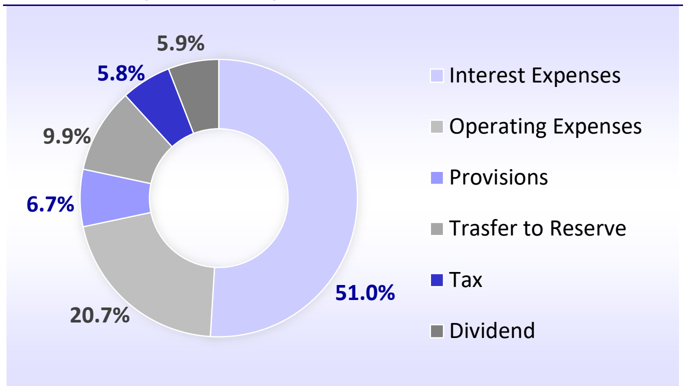
Component-wise breakup of earnings/spends by HDFCB

Exhibit 15: Split of INR earnings (%)



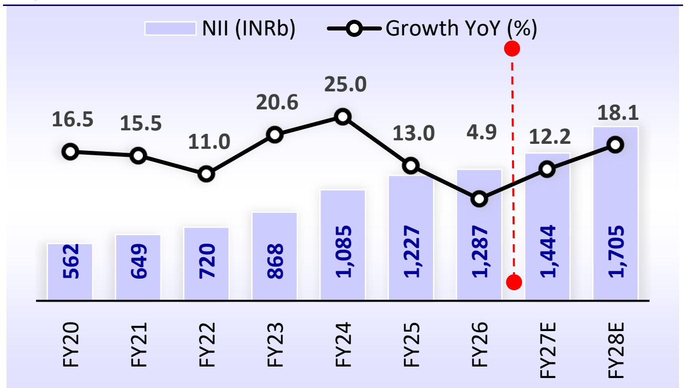
Source: MOFSL, Company

Exhibit 16: Split of INR spends (%)



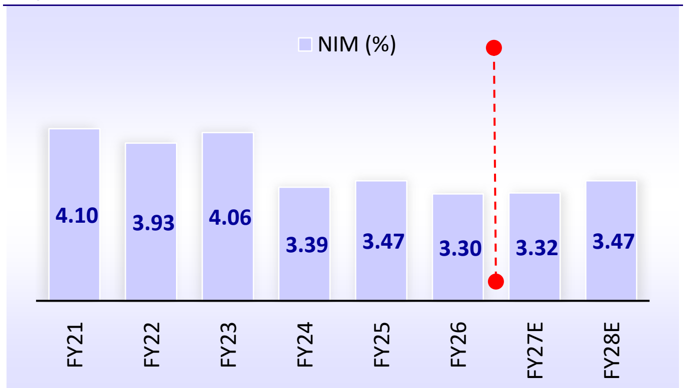
Source: MOFSL, Company

Exhibit 17: Estimate NII growth to bottom out in FY26 and to expand at a CAGR of ~15% over FY27-28



Source: MOFSL, Company

Exhibit 18: NIMs to expand gradually on the back of improved cost of funds



*NIMs are on calc basis

Source: MOFSL, Company

Exhibit 19: AXSB, FB, KMB, ICICIBC, and HDFCB have higher EBLR-/Repo-linked loans; PSBs have higher linkage to MCLR (%)

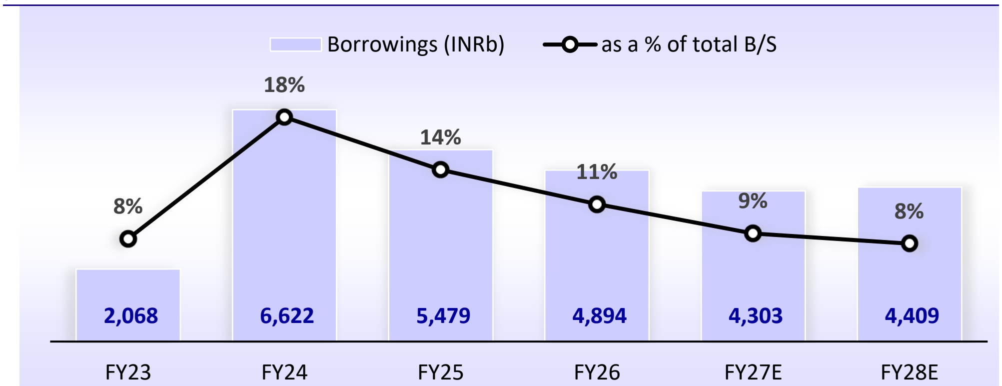
Loans Mix (%) - FY26	MCLR	EBLR	Repo Linked	Others (Fixed, base rate, foreign currency-floating)
HDFCB	25		45	30
ICICIBC	13	56		31
AXSB	6	3	61	30
KMB		60		40
FB	8	46		46
RBK	5	47		48
AUBANK	28	4		68
EQUITASB		20		80
CBK	45	50		5
INBK	46	41		13
PNB	25	10	52	13
SBIN*	50	49		1
BOB	38	35		27

Note:*In case of SBIN, MCLR+ Fixed is 50%

Source: MOFSL, Company

Borrowing mix as a % of B/S expected to tone down to pre-merger levels of 8% by FY28.

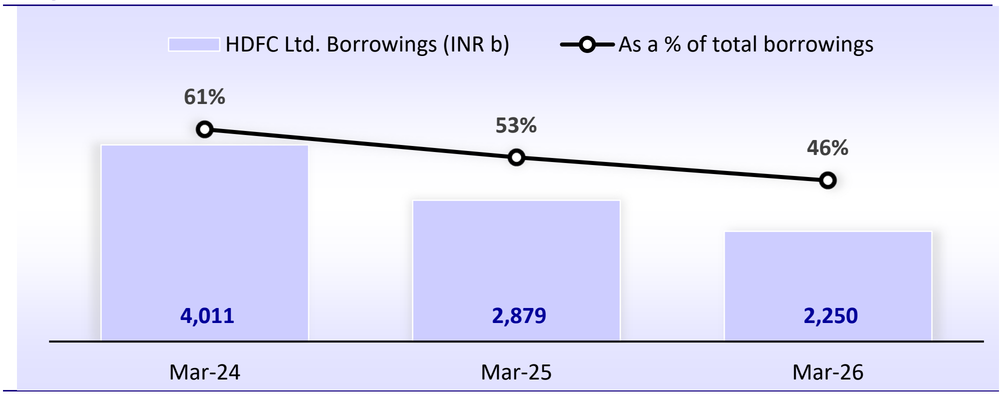
Exhibit 20: Borrowings mix as a % of balance sheet has eased to 11% as of Mar'26 from a peak of 18% in Mar'24



Source: Company, MOFSL

Of HDFC Ltd.'s borrowings of INR2.25t as of Mar'26, ~20% is due for repayment over the next two years up to FY28, and the balance 80% is due thereafter.

Exhibit 21: HDFC Ltd.'s borrowings now form 46% of total borrowings vs 61% post-merger



Source: Company, MOFSL

Remains net PSL seller; deposits with NABARD/SIBDI/NHB declining

With robust PSL achievement, HDFCB has turned into a net seller of PSLCs. PSLC sales remained healthy at INR2.0t in FY26, against PSLC purchases of INR0.7t, marking the bank's third consecutive year as a net seller. Apart from meeting the PSL obligations, the bank continues to offer a comprehensive suite of financial products customized for these markets. While the overall PSL target has been comfortably met, the bank is addressing minor gaps in sub-categories such as Small & Marginal Farmers and weaker sections. Deposits with NABARD/SIDBI/NHB have reduced to INR947b from INR1,071b and now form 2.2% of total assets, compared to 2.7% in FY25. The steady decline in NABARD/SIDBI/NHB deposits reflects the bank's consistent improvement in meeting PSL requirements.

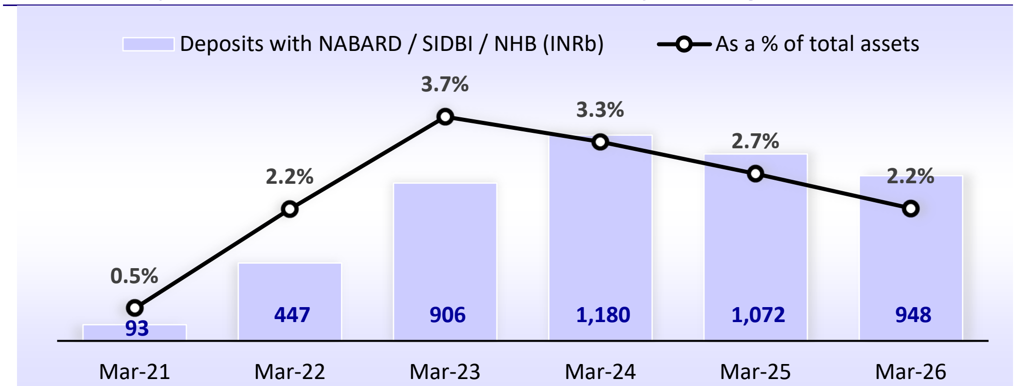
HDFCB has become a net seller of PSLCs since FY24 and has increased PSLC sales to INR2.5t in FY25 and INR2.0t in FY26.

Exhibit 22: PSLC trends across years

INR b	FY21	FY22	FY23	FY24	FY25	FY26
PSLC bought during the year	843.3	1006	699.9	819.7	1,114.1	762.9
PSLC sold during the year	20	0	363.1	1,055.8	2,544.4	2,000.0

Source: MOFSL, Company

Exhibit 23: Deposits with NABARD/SIBDI/NHB consistently declining as a % of assets



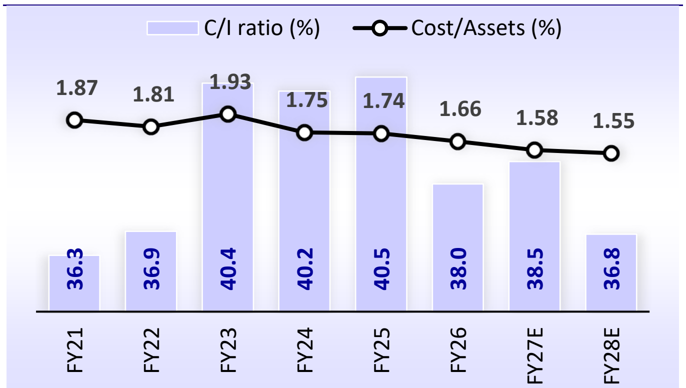
Source: MOFSL, Company

Operating leverage to drive RoA reflation

Estimate the C/I ratio to improve gradually

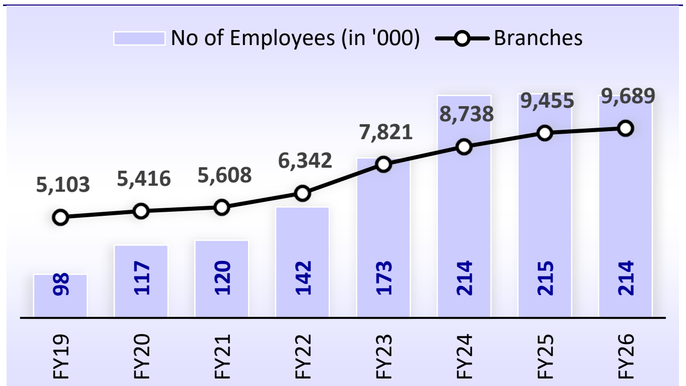
- HDFCB continues to expand its network and distribution while simultaneously investing in the efficient use of digital technologies to increase throughput and customer convenience. The bank remains focused on driving productivity while maintaining tight cost controls.
- The bank reported strong control in cost ratios despite a relatively softer branch expansion, continued investment in technology, and rationalizing employee count. It added 234 branches in FY26, with expansion moderating after a rapid rollout over the last five years. Overall opex grew 6.4% YoY in FY26 vs the balance sheet growth of 11.5% YoY.
- The C/I ratio and cost-to-average asset ratio lowered further to 38.0% and 1.66%, respectively, in FY26, compared to 40.5% and 1.74% in FY25. Going forward, we expect opex ratios to gradually improve from current levels.
- Operating leverage is expected to improve, driven by the ramp-up of branches over the last few years and organization restructuring on the asset side of the balance sheet to strengthen customer engagement and enhance employee productivity through cross-selling of products.

Exhibit 24: C/I stood at 38.0%, while cost/assets was ~1.66%



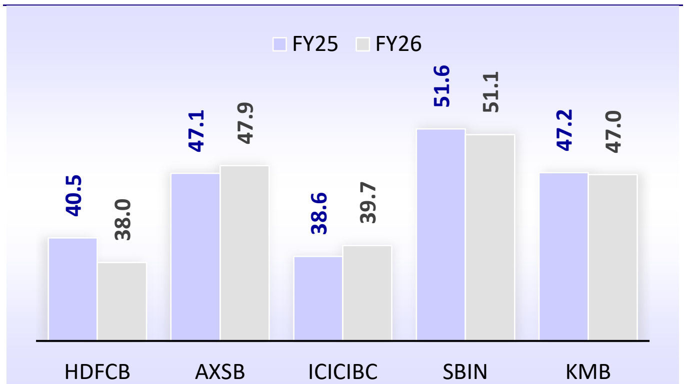
Source: Company, MOFSL

Exhibit 25: Employee base at 214k and branches at 9,689



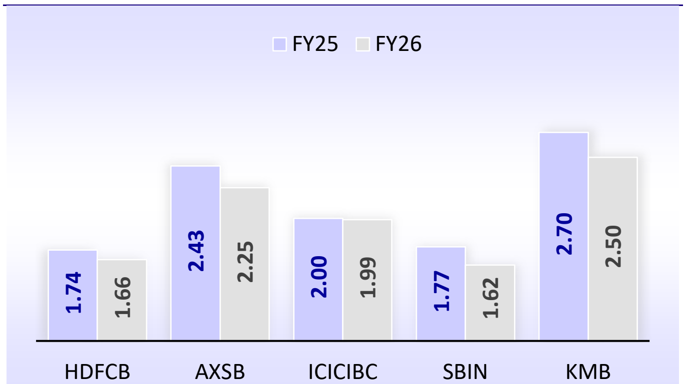
Source: Company, MOFSL

Exhibit 26: C/I ratio one of the lowest among peers



Source: Company, MOFSL

Exhibit 27: Cost/assets remained lower vs. peers

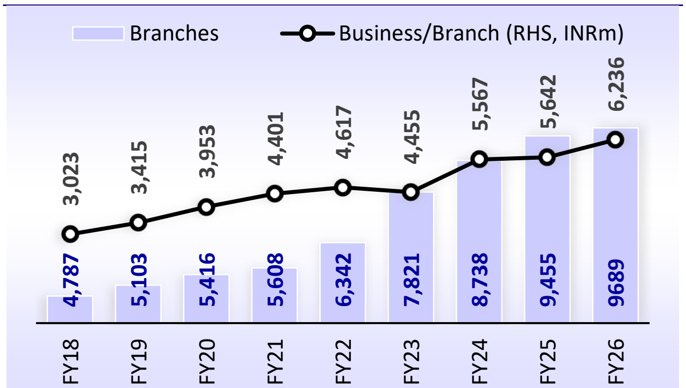


Source: Company, MOFSL

Business productivity improves; leveraging the power of branch banking

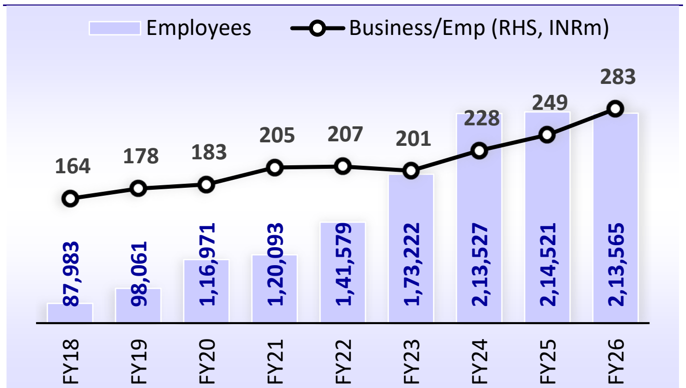
- HDFCB has been focusing on improving its branch and employee productivity by leveraging technology. Its business per branch improved to INR6.2b and business per employee improved to INR283m in FY26.
- The bank's deposit per branch improved to INR3,205m in FY26 from INR2,871m in FY25, indicating higher productivity and operational efficiency at the branch level. CASA per branch, which was declining for the last three years, witnessed a reversal in trends, standing at INR1,094m in FY26 vs INR999m in FY25.
- According to management, branches in metros take 22 months to break even, whereas branches in semi-urban areas break even in 27 months. Out of the 9,689 branches, 1,232 are in the 5-10 year bucket and 1,300 are in the 3-5 year bucket vintage.

Exhibit 28: Business per branch stood at INR6.2b



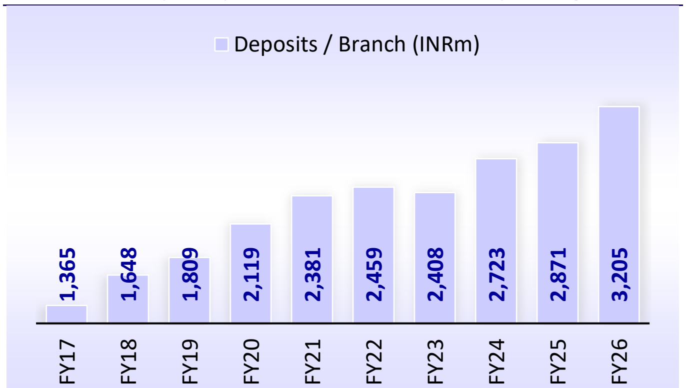
Source: Company, MOFSL

Exhibit 29: Business per employee stood at INR286m



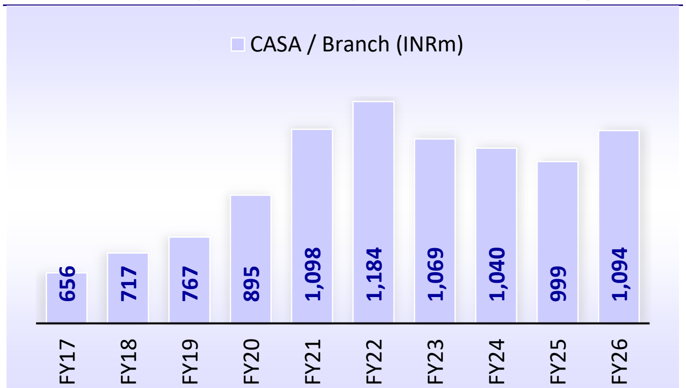
Source: Company, MOFSL

Exhibit 30: Deposit per branch reflects an improving trend



Source: Company, MOFSL

Exhibit 31: CASA per branch improved after declining trends



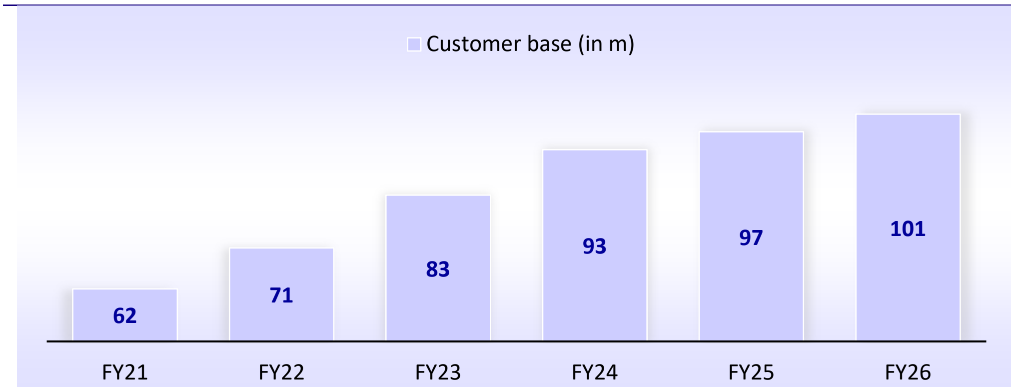
Source: Company, MOFSL

Bancassurance performance muted; customer base surpasses 100m

- HDFCB's extensive customer base of over 100m provides a strong foundation for driving cross-sell-led fee income growth. The bank leverages its wide distribution network and advanced analytics to identify customer needs and offer tailored financial products.
- Total fee income witnessed a relatively softer growth of 9% YoY in FY26, compared to 13% YoY in FY25. Strong YoY growth of 17% in retail asset fees was offset by muted 4% growth in the bank's third-party products pool. Fees from the payments business also lowered to 8% YoY, reflecting the slowdown in the overall credit card industry.

- Within fee income, bancassurance income growth remained muted at 4% YoY in FY26, reaching INR81.9b, due to a significant 22% YoY decline in market and distribution income and a marginal decline in non-life insurance product sales. Bancassurance contributed 23.5% of the bank's total fees in FY26, compared to 24.9% in FY25.
- With rising financial awareness and the bank's ability to cross-leverage its large retail and MSME customer base, fee income from cross-selling and bancassurance is expected to remain a key growth lever going forward.

Exhibit 32: HDFCB customer base crossed 100m in FY26



Source: Company, MOFSL

Bancassurance income growth was muted at 4% YoY and formed ~23% of the total fee.

Exhibit 33: Trend in bancassurance fee

Bancassurance income (INR m)	FY22	FY23	FY24	FY25	FY26
Sale of Life Insurance	15,565	18,993	30,593	50,270	56,875
Sale of Non-Life Insurance	2,661	2,757	9,147	12,813	12,397
Marketing and distribution	25,994	38,663	24,928	16,299	12,666
Total	**44,220**	**60,413**	**64,668**	**79,381**	**81,938**
Growth YoY (%)	**23.8%**	**36.6%**	**7.0%**	**23.0%**	**3.2%**

Source: MOFSL, Company

HDFCB cards' fees as % of total stood at ~34%, aided by cross-selling to liability and other asset customers.

Exhibit 34: Third-party products and payments together comprise ~58% of the total fees

Fees Breakup (INRm)	Fee income (INRm)			Fee income mix(%)		
	FY24	FY25	FY26	FY24	FY25	FY26
Wholesale	18,910	19,827	21,760	6.7%	6.2%	6.3%
Retail Liabilities	48,848	52,298	58,280	17.3%	16.4%	16.7%
Payments	95,453	1,10,139	1,18,920	33.9%	34.6%	34.2%
Retail Assets	55,999	57,253	67,040	19.9%	18.0%	19.3%
Third Party Products	62,351	79,183	82,000	22.1%	24.8%	23.6%
Total Fees	**281,560**	**318,700**	**3,48,000**	**100%**	**100%**	**100%**

Source: Company, MOFSL

Focus on improving digital capabilities

Accelerates digital leadership by embedding AI across the bank

- HDFCB maintains a leading market share across multiple digital channels, with a ~22% share in O/S cards and a credit card base of 26.6m. Card spends registered a robust growth of 18% YoY, outperforming the industry growth of ~10%.
- The bank has developed an in-house AI platform called Neev, a unified base for developing and deploying AI capabilities across the bank. This includes improving customer engagement through real-time interactions, streamlining card processing and trade operations with automated workflows, strengthening risk oversight through intelligent monitoring, and automating routine tasks.
- The bank has upgraded its net banking platform and mobile banking app, making them more streamlined and user-focused. It has also enhanced its digital presence and payments ecosystem, improving reliability and supporting higher transaction volumes across channels while expanding its offerings in wealth and other key segments.
- The enhanced SmartWealth platform is driving stronger engagement through goal-based investing, multi-language access, and simplified reporting.
- In payments, PayZapp continues to scale, while the all-digital Pixel credit card is delivering a seamless digital experience.
- The bank established a new tech and digital center in Guwahati to strengthen operational resilience and delivery capacity while building a future-ready talent pipeline. Supported by its Factory Construct, the bank can execute multiple strategic programs in parallel while maintaining the stability, governance, and service standards expected by customers.
- Early customer service use cases for GenAI-based agentic bots have shown encouraging traction. The bank has also started rolling out agentic bots for frontline employees, enabling them to access the latest and most relevant information to respond to and service customer queries more effectively.

Key updates on digital initiatives

- **Xpress car loan** – It offers seamless end-to-end digital disbursement and has increased the digital origination to 51% of the total new car loan business.
- **PayZapp 2.0** – Launched in Mar'23, it continues to demonstrate a strong scale-up, reaching about 208m registered users in FY26. It has over 5m monthly active users and is generating 3m transactions per month.
- **SmartHub Vyapar** – It is an integrated merchant payment and banking app (launched in Oct'22) that has onboarded over 2.4m merchants, collectively processing a transaction value of INR4.7t. The platform enables merchants to seamlessly manage payments, access banking services, and leverage value-added tools.
- **SmartGATEWAY** – It was launched in Feb'24 as a unified solution for online merchants. As of Mar'26, the platform onboarded ~90k online merchants, processing a transaction value of INR27b.
- **Generative AI (GenAI)** – GenAI is steadily expanding its role across service, operations, and decision-making. To support this, HDFCB has established a structured framework for developing and scaling GenAI capabilities. Teams now operate with shared patterns, clearly defined controls, and a streamlined path from ideation to production.

Exhibit 35: Market share in o/s credit cards

Market Share (%)	FY21	FY22	FY23	FY24	FY25	FY26
HDFCB	24.2	22.5	20.6	20.2	21.7	22.0
SBI cards	19.1	18.7	19.7	18.6	19.0	18.5
ICICIBC	17.1	17.6	16.9	16.7	16.6	16.0
AXSB	11.5	12.3	14.2	14.0	13.6	13.4
KMB	3.9	4.3	5.8	5.8	4.4	3.9

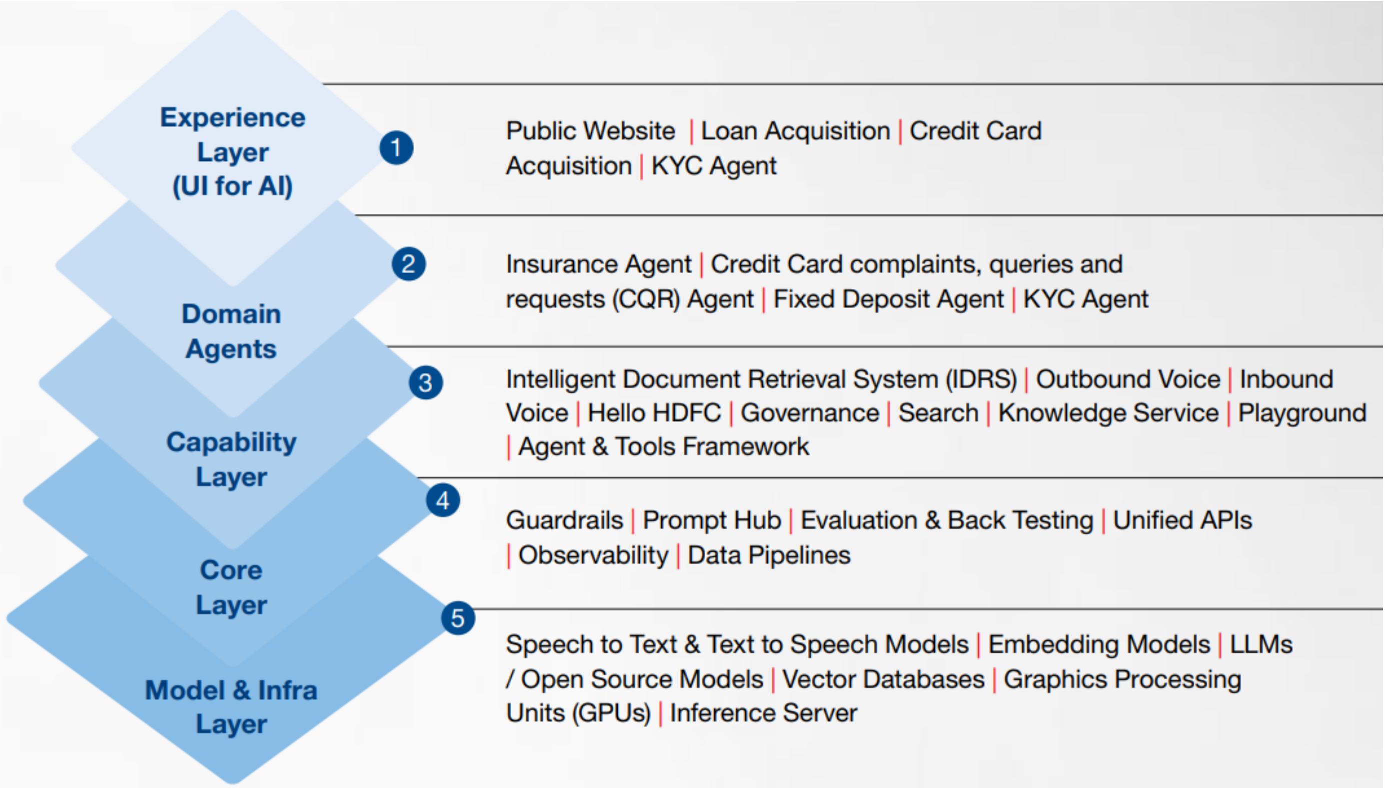
Source: MOFSL, Company

Exhibit 36: Market share in credit card spend

Market Share (%)	FY21	FY22	FY23	FY24	FY25	FY26
HDFCB	20.8	26.4	27.9	27.0	27.1	28.4
SBI cards	13.1	19.1	18.2	17.8	15.6	18.1
ICICIBC	9.8	20.0	17.9	17.7	18.9	18.1
AXSB	5.6	8.6	9.4	11.9	11.6	11.5
IIB	2.8	4.7	5.0	4.9	4.9	3.5

Source: MOFSL, Company

Exhibit 37: Architecting the NEEV platform



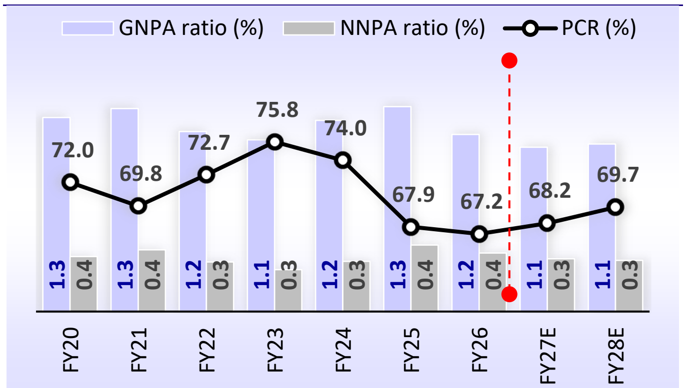
Source: MOFSL, Company

Asset quality best in class; NPA granularity improves sharply

Share of the top 20 NPA accounts as a % of total GNPA declined to 12% from 21%

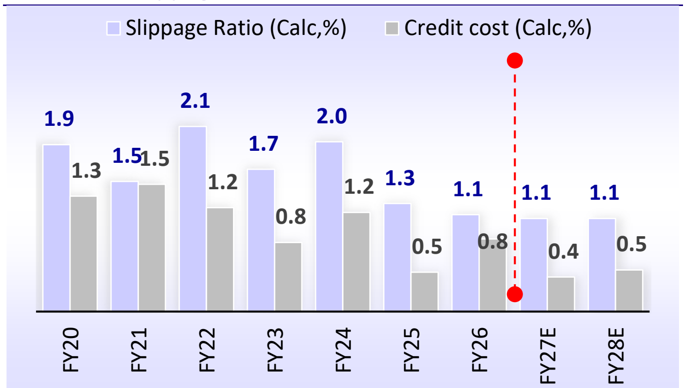
- HDFCB has maintained strong asset quality across business cycles, led by its robust underwriting practices and risk-calibrated lending approach. The bank reported GNPA/NNPA ratios of 1.15%/0.38% as of Mar'26.
- The bank has adopted a prudent approach to provisioning, creating an additional floating provision of INR90b and a contingency buffer of INR17b during FY26 by prudently utilizing gains from the stake sale in HDB Financial. **The bank holds total floating provisions of INR214b (0.7% of loans) and specific provisions of INR229b. In addition, it has set aside INR157b as a contingency provision (0.5% of loans), reflecting its proactive stance in building a strong buffer against any exigencies.**
- Despite systemic stress in the unsecured lending space, the bank's unsecured portfolio remains resilient, with a retail GNPA ratio (excluding agri) of ~0.7%. The share of top 20 NPA accounts as a % of total GNPA declined significantly from 21% as of Mar'25 to 12% as of Mar'26.
- Asset quality across other sectors, including small and medium-sized businesses and agriculture, continues to remain healthy. With its balanced approach to growth and risk, the bank is well-positioned to keep credit costs contained under ~50bp over the medium term.

Exhibit 38: Est. GNPA/NNPA ratio at 1.1%/0.3% in FY27



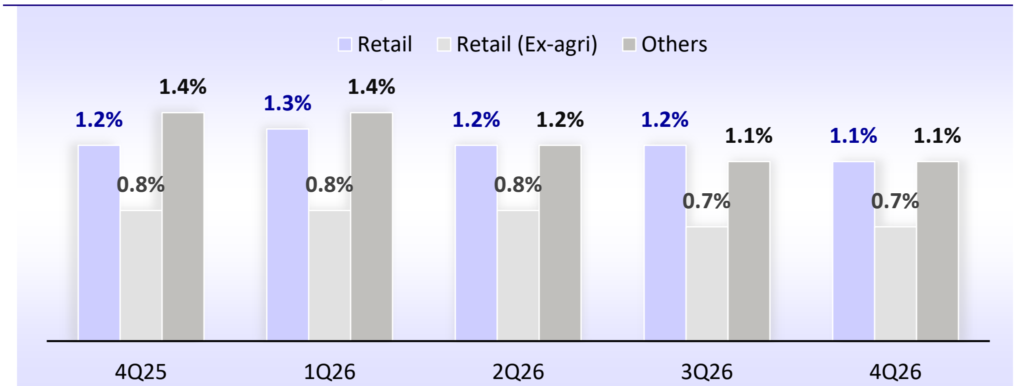
Source: Company, MOFSL

Exhibit 39: Slippages /credit costs to remain under control



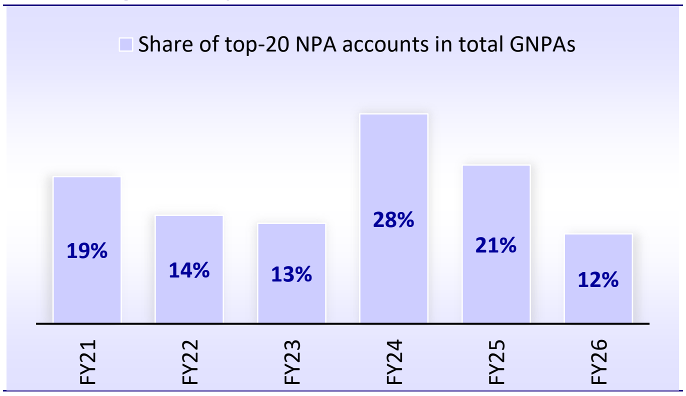
Source: Company, MOFSL

Exhibit 40: GNPA trends across segments



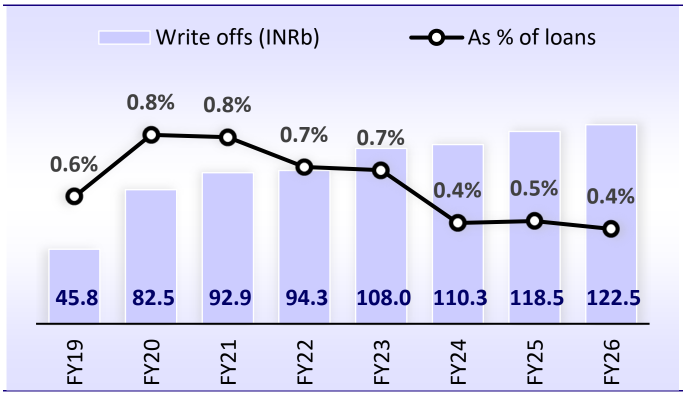
Source: MOFSL, Company

Exhibit 41: Mix of top 20 NPA accounts in total GNPAs reduced significantly from 21% to 12% in FY26



Source: Company, MOFSL

Exhibit 42: FY26 write-offs stood at INR123b (0.4% of loans) vs INR119b in FY25

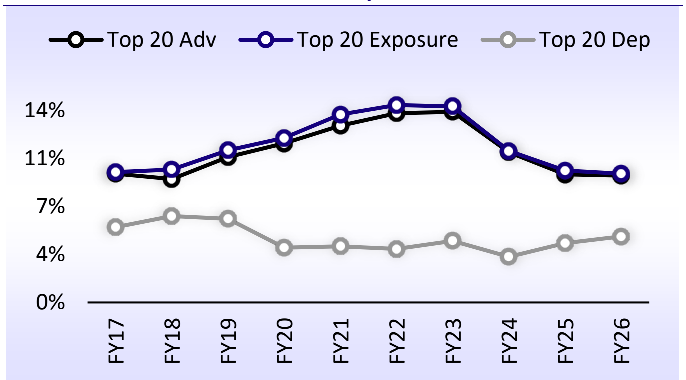


Source: Company, MOFSL

Capital ratios healthy; RWA density remains stable

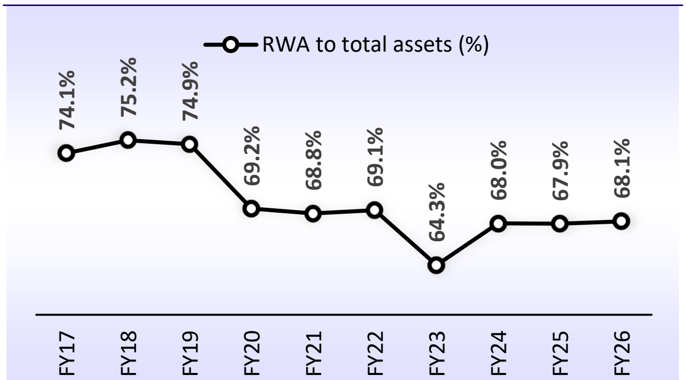
- The bank's overall CAR is at a comfortable level of ~19.7% as per the Basel-3 guidelines, with the CET-1 ratio standing strong at ~17.7%
- The RBI recently issued revised RWA guidelines, effective 1st April 2027, under which risk weights for well-rated corporates have been reduced by 10-50%, alongside lower risk weights for transactors in credit card receivables. These changes will reduce RWA requirements for such exposures, strengthen the bank's capital base, and support further credit growth.
- RWA intensity remained stable at ~68% in FY26. The concentration of top 20 advances/exposures moderated to 9.2%/9.4% during the year, while on the liability side, the concentration of the top 20 depositors increased slightly to 4.8%.

Exhibit 43: Concentration of top 20 advances/exposures moderated to 9.2%/9.4% and deposits increased to 4.8%



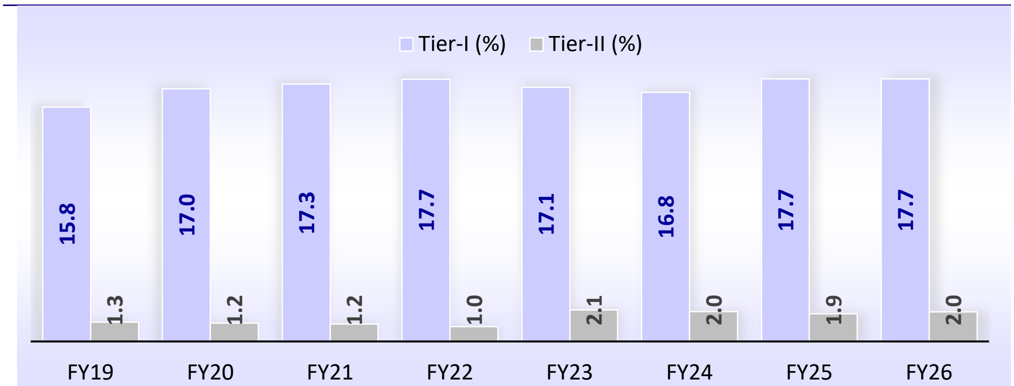
Source: MOFSL, Company

Exhibit 44: RWA density stood stable at ~68.1% in FY26 v/s 67.9% in FY25



Source: MOFSL, Company

Exhibit 45: Tier-I/CRAR stood at 17.7%/19.7% in FY26



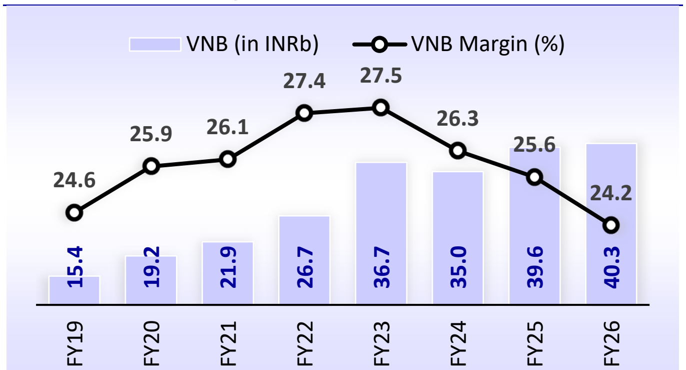
Source: Company, MOFSL

Subsidiary performance

HDFC Life – Softer margins and growth; agency channel improves

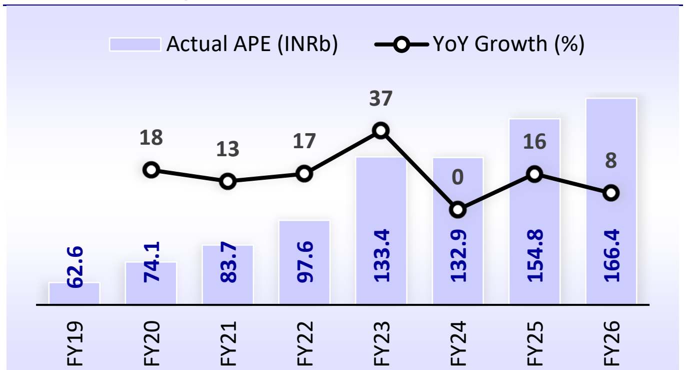
- HDFCLIFE delivered 8% YoY growth in NBP, compared to 16% YoY in FY25. For FY26, VNB grew 2% YoY to INR40.3b, reflecting a VNB margin of 25.5%, with an operating RoEV of 15.0%. The growth was impacted by unabsorbed GST impact and demand deferment in 4Q.
- Retail protection business grew 43% YoY, with the retail protection mix expanding by nearly 200bp YoY to 7.2% in FY26. Including riders, protection now contributes over 10% of HDFCLIFE's retail business. While the agency channel delivered strong growth during the year, the bancassurance channel witnessed a decline.
- HDFCLIFE witnesses a slowdown in growth toward the end of 2HFY26. However, green shoots emerged in the form of improving agency channel growth, a rising protection contribution, and better ULIP margins. We expect the growth trajectory to improve, while VNB margins remain stable, driven by a diversified product mix, rising sum assured, and improving rider attachments.

Exhibit 46: VNB margin lowered to 24.2%



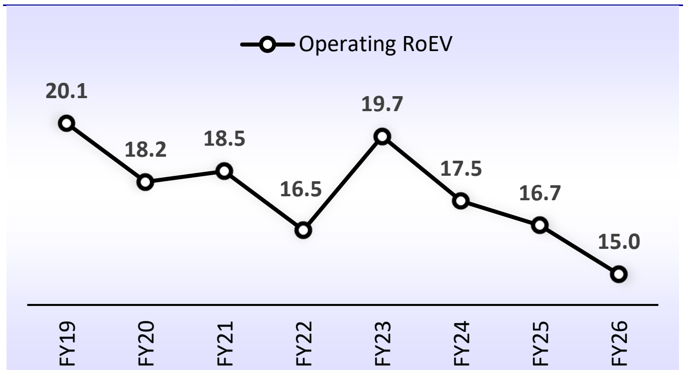
Source: MOFSL, Company

Exhibit 47: APE grew 8% YoY to INR166.4t



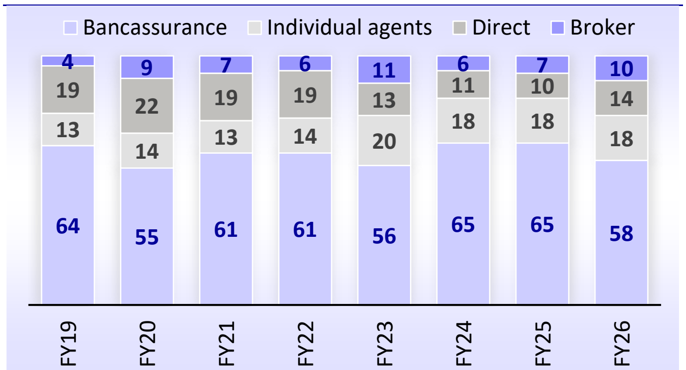
Source: MOFSL, Company

Exhibit 48: Operating RoEV decreased to 15.0%



Source: MOFSL, Company

Exhibit 49: Distribution mix – Decline in the banca channel

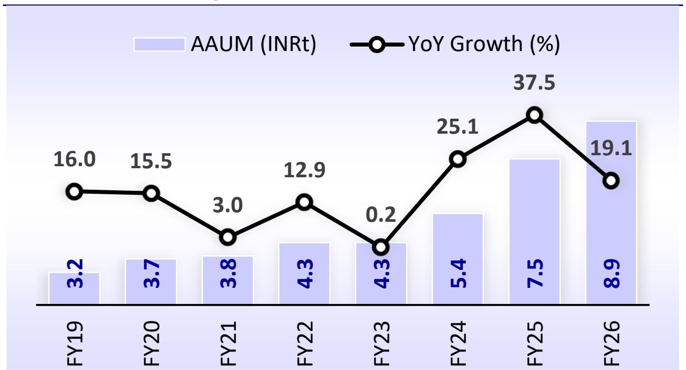


Source: MOFSL, Company

HDFC AMC – Non-MF business to drive incremental growth

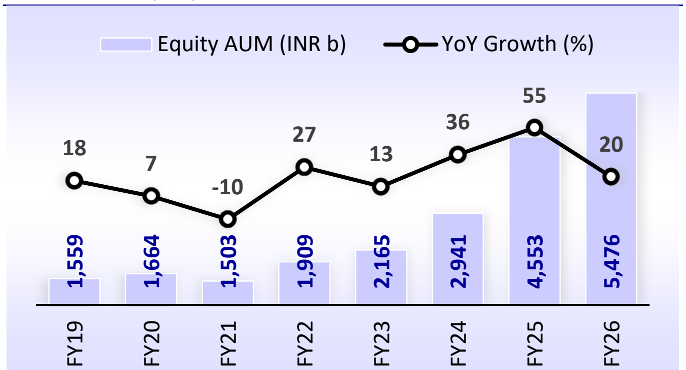
- HDFC AMC reported a closing AUM of INR8.4t (12% YoY), representing a market share of 11.4% as of Mar'26. It serves over 16.7m unique investors (reflecting 27% penetration in the MF industry) through 30.2m live accounts. For FY26, revenue grew 18% YoY to INR41.2b, EBITDA came in at ~INR33b (18% YoY), and PAT stood at INR28.6b (up 16% YoY).
- On TER regulations (effective Apr'26), the gross impact on the existing book was ~3-4bp. The company plans to offset this impact through commission optimization and cost control, thereby limiting the P&L impact.
- HDFC AMC remains a strong player in the MF industry, backed by robust financial and fund performance, steady AUM growth, best-in-class cost efficiency, and a strong retail presence. With a diversified portfolio across segments, multiple business streams beyond MFs, including Alternatives, AIF, PMS, and international offerings via GIFT City, and continued digital expansion, HDFC AMC is well-positioned to sustain a healthy growth and profitability trajectory.

Exhibit 50: AAUM growth moderated to 19% YoY



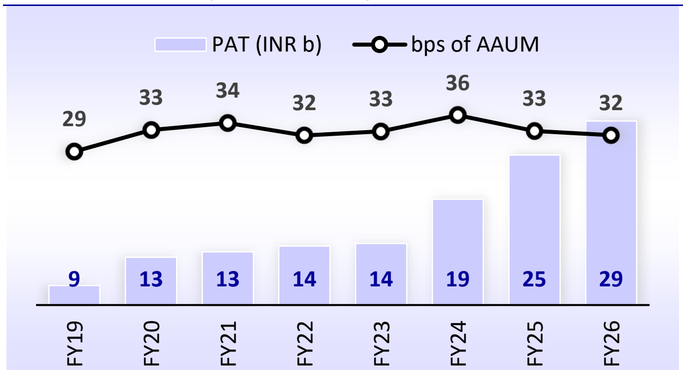
Source: MOFSL, Company

Exhibit 51: Equity AUM moderated to 20% YoY



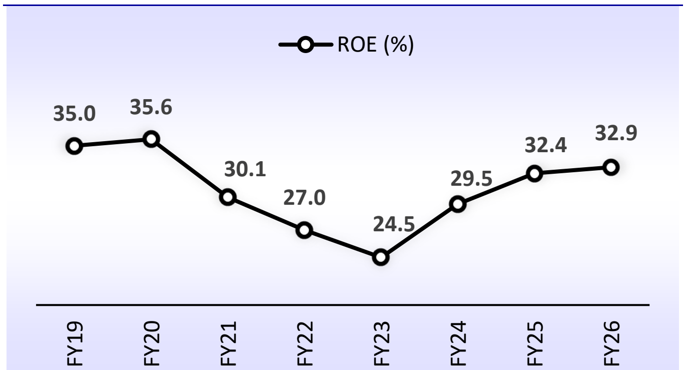
Source: MOFSL, Company

Exhibit 52: PAT improved to 29bp of AAUM



Source: MOFSL, Company

Exhibit 53: RoE stood at 32.9%

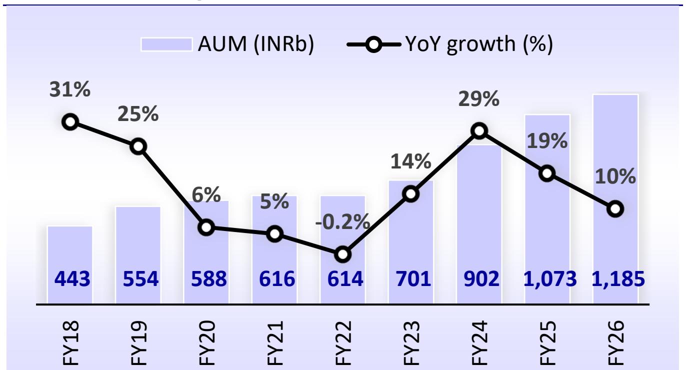


Source: MOFSL, Company

HDB Financial – Gradually returning to its growth trajectory

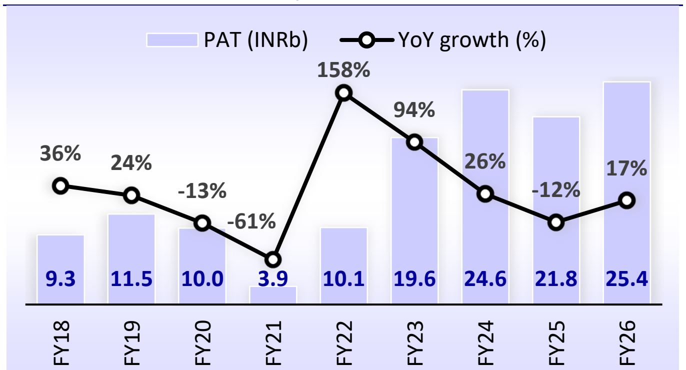
AUM growth moderated to ~10% YoY, with slower disbursements and a slight deterioration in asset quality during the year. Total income rose 19.5% YoY, with yields remaining flattish at 14.0%. PAT improved to INR25.4b, with a 17% YoY growth. RoA and RoE improved to 2.2% and 14.7%, respectively. Asset quality deteriorated marginally, with GNPA/NNPA at 2.4%/1.1%. Capital adequacy ratio was strong at 21.4%, ensuring a well-capitalized position for future growth.

Exhibit 54: AUM growth moderated to 10% YoY…



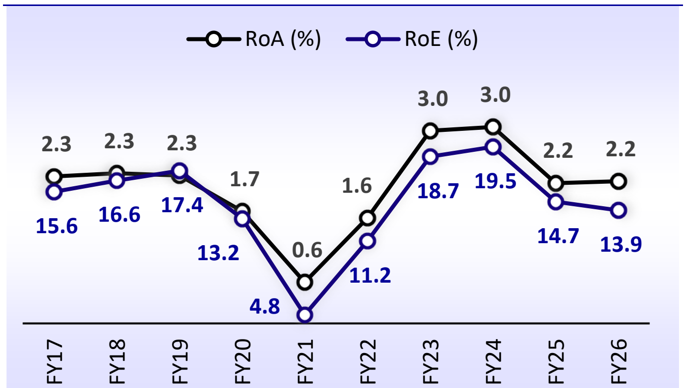
Source: MOFSL, Company

Exhibit 55: …while PAT improved 17% YoY



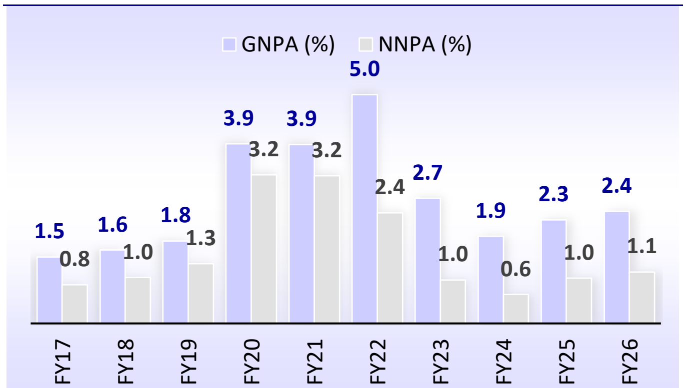
Source: MOFSL, Company

Exhibit 56: RoA/RoE stood at 2.2%/13.9% in FY26



Source: MOFSL, Company

Exhibit 57: GNPA/NNPA ratios at 2.4%/1.1%

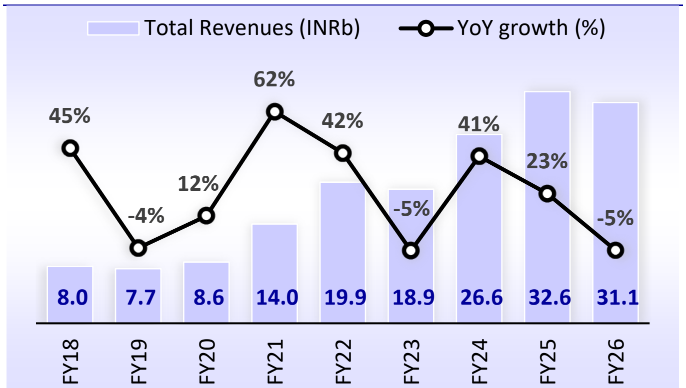


Source: MOFSL, Company

HDFC Securities – Weak operating performance; expect recovery ahead

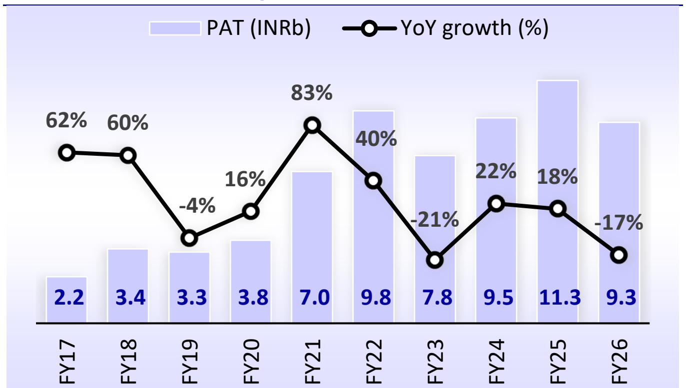
HDFC Securities delivered a relatively weak operating performance, with total income declining 5% YoY, driven by regulatory tightening, including higher STT, and elevated market volatility. PAT declined 17.3% YoY to INR9.3b despite healthy asset growth of 55% YoY. Consequently, RoA and RoE declined to 5.2% and 26.8%, respectively. With stability returning to the cash market following the West Asia crisis, the addition of new customers, and major regulatory headwinds largely behind, we expect the company to remain well-positioned for sustainable growth and report healthy earnings over the next few years.

Exhibit 58: Total income down 5% YoY in FY26…



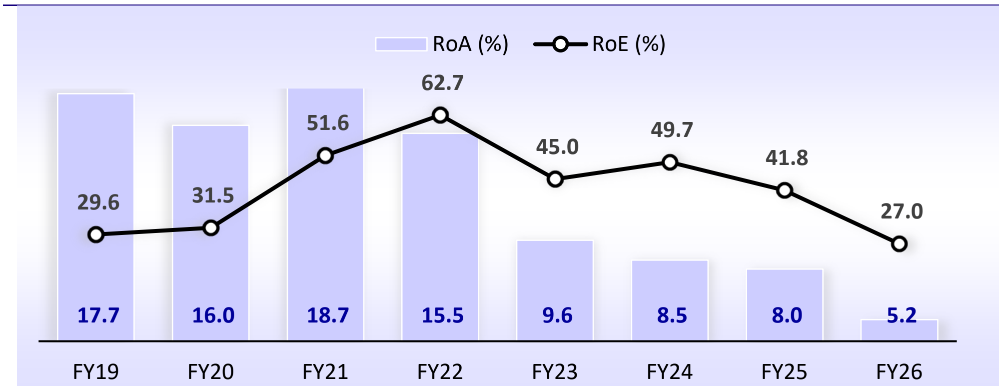
Source: MOFSL, Company

Exhibit 59: …translating into a 17% YoY decline in PAT



Source: MOFSL, Company

Exhibit 60: Return ratios remain weaker, with FY26 RoE at 27%



Source: MOFSL, Company

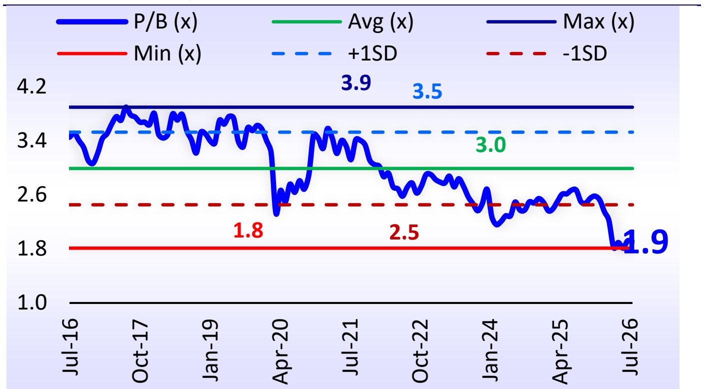
Valuation and view – Maintain Buy with TP of INR1,100

- HDFCB witnessed a pickup in its credit growth in FY26 while maintaining a healthy pace of liability accretion, leading to a gradual improvement in its C/D ratio. We expect the bank to maintain healthy growth, broadly in line with the system. Asset quality remains resilient, supported by robust underwriting and a strong understanding of market cycles.
- The bank also maintains a healthy provisioning buffer (floating + contingent) of INR371b (1.3% of loans). Despite the rate-cut environment in FY26, the bank outperformed most peers with limited margin contraction, supported by an improving asset mix and run-down of high-cost borrowings, even as the CASA mix remained under pressure.
- We expect NIMs to expand gradually, driven by lower cost of funds (as high-cost borrowings get replaced with deposits). Accordingly, we expect a 15% NII CAGR over FY26-28, healthy credit CAGR of 14.1%, stable asset quality with credit cost contained under 50bp, and improved operative leverage to drive healthy earnings.
- **We estimate HDFCB to deliver FY28E RoA/RoE of 1.9%/14.9%. We reiterate our BUY with a TP of INR1,100 (2.2x FY28E ABV + INR133 for subsidiaries).**

Exhibit 61: SOTP-based pricing

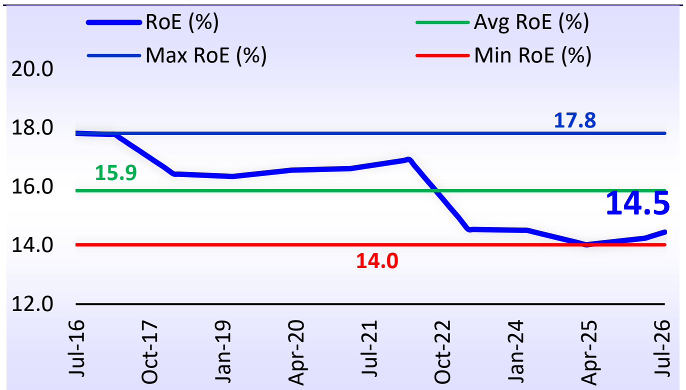
	Stake (%)	Proportionate Value INRb	Value USD b	Per Share INR	% of Total	Rationale
HDFC Bank		**14,878.1**	**160.8**	**967**	**87.9**	❖ **2.2x Mar'28E ABV**
HDB Financial Ser	74.1	506.9	5.5	33	3.0	❖ 2.4x Mar'28E Net worth
HDFC Securities	94.0	305.1	3.3	20	1.8	❖ 17x Mar'28E PAT
HDFC Life Insurance	50.2	825.0	8.9	54	4.9	❖ 2.0x Mar'28E EV
HDFC Ergo General Insurance	50.3	152.9	1.7	10	0.9	❖ 24x Mar'28E PAT
HDFC AMC	52.4	730.7	7.9	48	4.4	❖ 38x Sep'27E PAT
Total Value of Subs		**2,525.5**	**27.2**	**166**	**15.1**	
Less: 20% holding Disc		504.1	5.4	33	3.0	
Value of Subs (Post Holding Disc)		**2,020.4**	**21.8**	**133**	**12.1**	
Target Price		**16,898.5**	**182.6**	**1,100**		

Exhibit 62: One-year forward P/B



Source: MOFSL, Company

Exhibit 63: One-year forward P/E



Source: MOFSL, Company

Exhibit 64: DuPont Analysis: RoA to increase gradually to 1.87% by FY28

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	7.13	7.59	7.98	7.43	7.42	7.49
Interest Expense	3.30	4.40	4.73	4.32	4.30	4.21
Net Interest Income	**3.83**	**3.19**	**3.26**	**3.11**	**3.12**	**3.28**
- Core Fee Income	1.24	0.98	1.03	1.02	0.68	0.66
- Trading and others	0.13	0.46	0.18	0.49	0.53	0.52
Non Interest income	**1.38**	**1.45**	**1.21**	**1.51**	**1.20**	**1.19**
Total Income	**5.21**	**4.63**	**4.47**	**4.62**	**4.33**	**4.47**
Operating Expenses	**2.10**	**1.86**	**1.81**	**1.76**	**1.67**	**1.64**
- Employee cost	0.68	0.65	0.63	0.63	0.59	0.59
- Others	1.42	1.21	1.18	1.13	1.08	1.06
Operating Profits	**3.10**	**2.77**	**2.66**	**2.87**	**2.66**	**2.82**
Core operating Profits	**2.97**	**2.31**	**2.48**	**2.37**	**2.13**	**2.30**
Provisions	**0.53**	**0.69**	**0.31**	**0.57**	**0.30**	**0.35**
PBT	**2.58**	**2.08**	**2.35**	**2.30**	**2.36**	**2.47**
Tax	0.63	0.30	0.56	0.50	0.56	0.60
RoA	**1.95**	**1.79**	**1.79**	**1.80**	**1.80**	**1.87**
Leverage (x)	8.7	8.2	8.0	7.8	7.9	7.9
RoE	**16.9**	**14.6**	**14.4**	**14.1**	**14.2**	**14.9**

Financials and valuations

Income Statement						(INRb)
Y/E March (INR b)	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Interest Income	1,615.9	2,583.4	3,005.2	3,075.2	3,430.5	3,895.1
Interest Expense	747.4	1,498.1	1,778.5	1,788.4	1,986.9	2,190.4
Net Interest Income	**868.4**	**1,085.3**	**1,226.7**	**1,286.9**	**1,443.6**	**1,704.6**
- growth (%)	20.6	25.0	13.0	4.9	12.2	18.1
Non-Interest Income	312.1	492.4	456.3	625.3	556.5	617.8
Total Income	**1,180.6**	**1,577.7**	**1,683.0**	**1,912.2**	**2,000.1**	**2,322.4**
- growth (%)	16.3	33.6	6.7	13.6	4.6	16.1
Operating Expenses	476.5	633.9	681.7	726.6	770.4	855.1
Pre Provision Profits	**704.0**	**943.9**	**1,001.3**	**1,185.6**	**1,229.7**	**1,467.3**
- growth (%)	9.9	34.1	6.1	18.4	3.7	19.3
Core PPOP	**663.2**	**903.9**	**952.1**	**1,121.0**	**1,138.8**	**1,363.2**
Growth (%)	10.2	36.3	5.3	17.7	1.6	19.7
Provisions	119.2	234.9	116.5	233.9	137.7	183.5
PBT	**584.9**	**709.0**	**884.8**	**951.7**	**1,092.0**	**1,283.8**
Tax	143.8	100.8	211.3	205.0	259.9	309.4
Tax Rate (%)	24.6	14.2	23.9	21.5	23.8	24.1
PAT	**441.1**	**608.1**	**673.5**	**746.7**	**832.1**	**974.4**
Growth (%)	19.3	37.9	10.7	10.9	11.4	17.1

Balance Sheet						
Y/E March (INR b)	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Equity Share Capital	11.2	15.2	15.3	15.4	15.4	15.4
Reserves & Surplus	2,790.8	4,387.3	4,998.9	5,613.6	6,131.2	6,945.1
Net Worth	**2,802.0**	**4,402.5**	**5,014.2**	**5,629.0**	**6,146.5**	**6,960.5**
Deposits	18,833.9	23,797.9	27,147.1	31,052.5	35,958.8	41,136.9
Growth (%)	20.8	26.4	14.1	14.4	15.8	14.4
of which CASA Dep	8,359.9	9,087.6	9,445.6	10,603.0	11,974.3	14,233.4
Growth (%)	11.3	8.7	3.9	12.3	12.9	18.9
Borrowings	2,067.7	6,621.5	5,479.3	4,893.9	4,302.5	4,409.1
Other Liabilities & Prov.	957.2	1,354.4	1,461.3	2,073.4	2,363.7	2,694.6
Total Liabilities	**24,660.8**	**36,176.2**	**39,102.0**	**43,648.9**	**48,771.6**	**55,201.1**
Current Assets	1,937.7	2,191.5	2,395.7	2,984.7	2,697.5	2,869.4
Investments	5,170.0	7,024.1	8,363.6	8,842.0	10,009.2	11,370.4
Growth (%)	13.4	35.9	19.1	5.7	13.2	13.6
Loans	16,005.9	24,848.6	26,196.1	29,371.7	33,425.0	38,271.6
Growth (%)	16.9	55.2	5.4	12.1	13.8	14.5
Fixed Assets	80.2	114.0	136.6	147.2	169.6	183.2
Other Assets	1,467.1	1,998.0	2,010.0	2,303.3	2,470.3	2,506.5
Total Assets	**24,660.8**	**36,176.2**	**39,102.0**	**43,648.9**	**48,771.6**	**55,201.1**

Asset Quality						
Y/E March	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
GNPA (INR b)	180.2	311.7	352.2	340.6	359.5	419.5
NNPA (INR b)	43.7	80.9	113.2	111.7	114.3	127.2
Slippages (INR b)	245.4	402.6	319.8	312.5	339.1	394.3
GNPA Ratio (%)	1.1	1.2	1.3	1.2	1.1	1.1
NNPA Ratio (%)	0.3	0.3	0.4	0.4	0.3	0.3
Slippage Ratio (%)	1.7	2.0	1.3	1.1	1.1	1.1
Credit Cost (%)	0.8	1.2	0.5	0.8	0.4	0.5
PCR (Excl Tech. write off) (%)	75.8	74.0	67.9	67.2	68.2	69.7

Source: Company, MOFSLE

Financials and valuations

Ratios

Y/E March (INR b)	FY23	FY24	FY25	FY26	FY27E	FY28E
Yield & Cost Ratios (%)						
Avg. Yield-Earning Assets	**8.0**	**8.4**	**8.9**	**8.2**	**8.2**	**8.2**
Avg. Yield on loans	8.6	8.8	9.3	8.6	8.6	8.7
Avg. Yield on Invt	6.5	6.8	7.1	7.0	6.8	6.7
Avg. Cost-Int. Bear. Liab.	**3.9**	**5.3**	**5.6**	**5.2**	**5.2**	**5.1**
Avg. Cost of Deposits	3.6	4.7	4.9	4.8	4.9	4.8
Interest Spread	**4.1**	**3.2**	**3.2**	**3.0**	**3.0**	**3.1**
Net Interest Margin	**4.1**	**3.4**	**3.5**	**3.3**	**3.3**	**3.5**
Capitalisation Ratios (%)						
CAR	19.3	18.8	19.6	19.7	19.3	19.0
Tier I	17.1	16.8	17.7	17.7	17.2	17.1
- CET-1	16.4	16.3	17.2	17.3	17.1	17.0
Tier II	2.1	2.0	1.9	2.0	2.1	1.9
Business Ratios (%)						
Loans/Deposit	85.0	104.4	96.5	94.6	93.0	93.0
CASA Ratio	44.4	38.2	34.8	34.1	33.3	34.6
Cost/Assets	1.9	1.8	1.7	1.7	1.6	1.5
Cost/Total Income	40.4	40.2	40.5	38.0	38.5	36.8
Cost/Core Income	41.8	41.2	41.7	39.3	40.4	38.5
Staff Cost/Total Expense	32.6	35.1	35.1	35.9	35.5	35.7
Int. Expense/Int.Income	46.3	58.0	59.2	58.2	57.9	56.2
Fee Income/Total Income	23.9	21.2	23.1	22.0	15.6	14.9
Other Inc./Total Income	26.4	31.2	27.1	32.7	27.8	26.6
Efficiency Ratios (INRm)						
Employee per branch (in nos)	22.1	24.4	22.7	21.8	21.6	21.4
Staff cost per employee (INR m)	0.9	1.0	1.1	1.2	1.2	1.2
CASA per branch (INR m)	1,069	1,040	999	1,094	1,094	1,150
Deposits per branch (INR m)	2,408	2,723	2,871	3,205	3,284	3,325
Bus. per Employee (INR m)	201	228	249	286	293	300
Profit per Employee (INR m)	2.5	2.8	3.1	3.5	3.5	3.7

Valuation	FY23	FY24	FY25	FY26	FY27E	FY28E
RoE	16.9	14.6	14.5	14.2	14.1	14.9
RoA	1.9	1.8	1.8	1.8	1.8	1.9
RoRWA	2.9	1.6	1.5	2.7	2.6	2.7
Book Value (INR)	251	290	328	366	399	452
Growth (%)	15.7	15.4	13.1	11.6	9.2	13.2
Price-BV (x)	**3.2**	**2.8**	**2.5**	**2.2**	**2.0**	**1.8**
Adjusted BV (INR)	245	278	313	352	384	435
Price-ABV (x)	**2.8**	**2.5**	**2.2**	**1.9**	**1.8**	**1.6**
EPS (INR)	39.6	40.0	44.0	48.5	54.1	63.3
Growth (%)	18.6	1.0	9.9	10.2	11.4	17.1
Price-Earnings (x)	**20.6**	**20.4**	**18.5**	**16.8**	**15.1**	**12.9**
Price-Earnings (x) - Adj. Subs	**17.2**	**17.0**	**15.5**	**14.1**	**12.6**	**10.8**
Dividend Per Sh (INR)	9.5	5.5	9.7	13.5	10.4	10.4
Dividend Yield (%)	**1.2**	**0.7**	**1.2**	**1.7**	**1.3**	**1.3**

Source: Company, MOFSLE

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