

July 19, 2025

**RESULT REPORT Q1 FY26** | Sector: Banks

# HDFC Bank

## Management sounds confident on growth

### Our view – Investors would await some delivery on growth

**Balance sheet growth** – While loan growth remained tepid, management sounded confident in terms of qualitative commentary: The advances for the bank stood at Rs 26,284 bn, up by 0.3% QoQ and 6.7% YoY. Management stated there is healthy demand from the rural side. The impact from decline in interest rates and the fiscal largesse is expected to play out during the festival season. There is reasonable amount of buoyancy in the MSME segment. Corporates are enjoying benign interest rates and a system flush with liquidity. The bank has seen a small momentum in 1Q and should see sequential improvement over the next 3 quarters. In the near term, the bank is not tied to an LDR figure and would not like to lose out on growth opportunities.

**Net Interest Margin** – Margin contracted sequentially, and the quantum was somewhat higher than ICICI: NIM was at 3.35%, down -19bps QoQ and -12bps YoY. NIM for Q4FY25 had an 8bps impact on account of interest on income tax refund, implying like-for-like decline was 11 bps compared with 4-5 bps for ICICI. Management stated that, assuming no more rate cuts by the RBI, 2Q could be the bottom of the margin. RBL has also called for a margin bottom in 2Q.

**Asset Quality** – Slippages rose sequentially due to seasonally higher agri slippages, while the bank made material excess provisions: Gross NPA additions amounted to Rs 90bn for 1QFY26, translating to an annualized slippage ratio of 1.4% for the quarter. Gross NPA additions had amounted to Rs 75bn during 3QFY25. Provisions were Rs 144.4bn, up by 352% QoQ and 455% YoY, translating to calculated annualised credit cost of 220bps. During 1QFY26, the bank created floating provision of Rs 90bn and contingent provision of Rs 17bn.

We maintain an ADD rating with an unchanged price target of Rs 2300: We value the standalone bank at 2.5x FY27 P/BV for an FY26/27/28E RoE profile of 13.3/13.6/14.1%. We assign a value of Rs 271 per share to the subsidiaries.

(See Comprehensive con call takeaways on page 2 for significant incremental colour.)

### Other Highlights (See “Our View” above for elaboration and insight)

- **Opex control:** Total cost to income ratio was at 32.8% down by -703/-824bps QoQ/YoY and the Cost to assets was at 1.8% down by -6bps/-8bps QoQ/YoY.
- **Fee income:** Core fee income to average assets was at 0.9%, down -10 bps QoQ but flat YoY.

### Exhibit 1: Result table

Particulars (Rs mn)	Q1 FY26	Q4 FY25	% qoq	Q1 FY25	% yoy
Total Interest Income	774,702	774,601	0.0	730,331	6.1
Interest Expense	(460,322)	(453,943)	1.4	(431,960)	6.6
Net Interest Income	314,380	320,658	(2.0)	298,371	5.4
Fee Income	92,000	99,700	(7.7)	84,500	8.9
Non-fee Income	125,298	20,579	508.9	22,181	464.9
Total Non-Interest Income	217,298	120,279	80.7	106,681	103.7
Total Income	531,678	440,937	20.6	405,052	31.3
Employee Expense	(61,580)	(61,159)	0.7	(58,489)	5.3
Non-employee Opex	(112,759)	(114,410)	(1.4)	(107,717)	4.7
Total Operating expenses	(174,338)	(175,570)	(0.7)	(166,206)	4.9
PPOP	357,340	265,367	34.7	238,846	49.6
Provisions	(144,416)	(31,931)	352.3	(26,021)	455.0
PBT	212,923	233,437	(8.8)	212,826	0.0
Tax	(31,371)	(57,275)	(45.2)	(51,078)	(38.6)
PAT	181,552	176,161	3.1	161,747	12.2

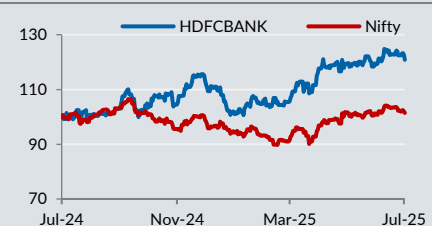
Source: Company, YES Sec-Research

Recommendation	: ADD
Current Price	: Rs 1,957
Target Price	: Rs 2,300
Potential Return	: +18%

### Stock data (as on July 18, 2025)

Nifty	24,968
52 Week h/l (Rs)	2027 / 1588
Market cap (Rs/USD mn)	15235340 / 176857
Outstanding Shares (mn)	7,668
6m Avg t/o (Rs mn):	19,925
Div yield (%):	1.1
Bloomberg code:	HDFCB IN
NSE code:	HDFCBANK

### Stock performance



	1M	3M	1Y
Absolute return	1.1%	2.7%	21.8%

### Shareholding pattern (As of Jun'25 end)

Promoter	0.0%
FII+DII	84.8%
Others	15.2%

### Δ in stance

(1-Yr)	New	Old
Rating	ADD	ADD
Target Price	2300	2300

### Financial Summary

(Rs mn)	FY26E	FY27E	FY28E
NII	1,314,652	1,507,556	1,735,213
PPOP	1,108,457	1,288,392	1,496,024
Net Profit	707,370	800,928	933,502
Growth (%)	5.0	13.2	16.6
EPS (Rs)	92.4	104.7	122.0
BVPS (Rs)	729.8	814.1	912.5
P/E (x)	18.2	16.1	13.8
P/BV (x)	2.3	2.1	1.8
ROE (%)	13.3	13.6	14.1
ROA (%)	1.7	1.7	1.8
Tier-1 (%)	17.2	16.6	16.0

### Δ in earnings estimates

Rs.	FY26E	FY27E	FY28E
EPS (New)	92.4	104.7	122.0
EPS (Old)	92.4	104.7	122.0
% change	0.0%	0.0%	0.0%

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## COMPREHENSIVE CON-CALL TAKEAWAYS

### Loan growth

- Overall outcome
  - The advances for the bank stood at Rs 26,284 bn, up by 0.3% QoQ and 6.7% YoY.
- Qualitative discussion on growth outlook
  - Rural lending
    - There is healthy demand from the rural side and the better monsoon is helping the bank in this regard.
  - Urban consumer lending
    - Within urban consumption, the premium segment is doing better even though the same has shown some signs of fatigue.
    - However, the festival season is expected to be good trigger for urban consumption.
    - The impact from decline in interest rates and the fiscal largesse is expected to play out during the festival season.
  - MSME lending
    - There has been a fair amount of upfronting of exports due to the tariff issue.
    - There is reasonable amount of buoyancy in the MSME segment.
  - Corporate lending
    - Corporates are enjoying benign interest rates and the system is flush with liquidity, with AA and above rated corporates benefiting.
    - The bank will participate in working capital financing opportunities of sound corporates.
  - Mortgages
    - Mortgages are seeing intensive competition from PSU banks.
    - However, the bank is optimising its cost of processing and will be able to pick up some volumes.
  - Overall outlook
    - The bank is coming off a low growth level since it had a compulsion to lower its LDR.
    - The bank has seen a small momentum in 1Q and should see sequential improvement over the next 3 quarters.
    - A large part of the growth will come in 2H, particularly 4Q.
- Loan to Deposit Ratio
  - Loan to deposit ratio for the bank has come down from the highs of 110% at the time of the merger to 95% in 1QFY26.
  - Ideal LDR
    - In the medium-term, the bank would like to get to the pre-merger level of 87-88% and hence, 87-90% would be a good range for the medium-term.
    - In the near term, the bank is not tied to an LDR and would not like to lose out on growth opportunities.

### Net interest margin

- NIM for the quarter
  - NIM was at 3.35%, down -19bps QoQ and -12bps YoY.
  - NIM for Q4FY25 had an 8bps impact on account of interest on income tax refund.
- Cost of funds
  - The cost of funds declined to 4.8% in 1Q as compared to 4.9% in 4QFY25.

(Con call takeaways continue on the next page)

- **Yield on advances**
  - The yield on assets was at 8.1%, down by ~30bps QoQ.
  - The headline change in yield was around 30 bps but adjusted for the one-off in 4Q (Rs 7bn income tax refund), the like for like compression in yield was 22 bps.
  - **Repo rate cuts**
    - The June rate cut was not felt in 1Q as it takes 1-3 months to flow through.
- **Borrowings**
  - Those borrowings whose maturity has come up have been run down.
  - There have been some opportunities to prepay or advance the maturity, which have been taken.
  - The bank will keep looking for such opportunities but given prevailing rates, such opportunities may not come as much this year.
  - Also, early redemption of long-term debt entails taking a fair value hit.
- **Guidance**
  - Assuming no more rate cuts by the RBI, 2Q could be the bottom of the margin.

## Asset quality

- **Slippages**
  - Gross NPA additions amounted to Rs 90bn for 1QFY26, translating to an annualized slippage ratio of 1.4% for the quarter (Gross NPA additions had amounted to Rs 75bn during 4QFY25)
- **Recoveries and upgrades**
  - Recoveries and upgrades amounted to Rs 42bn for 1QFY26, implying net NPA addition of Rs 48bn for the quarter.
- **Provisions**
  - Provisions were Rs 144.4bn, up by 352% QoQ and 455% YoY, translating to calculated annualised credit cost of 220bps.
  - During 1QFY26, the bank created floating provision of Rs 90bn and contingent provision of Rs 17bn.
  - These are countercyclical buffers that do not have any correlation to any pain point and are meant to build resilience for the future.
  - Credit cost was also incrementally elevated to the seasonal agri slippages which take place during the odd quarters.
  - **Guidance**
    - Credit cost continues to be benign but will revert to the mean but it is difficult to provide a timeline for the same.
- **NPA ratios**
  - GNPA ratio stands at 1.40%, up 7bps both QoQ and YoY while NNPA ratio stands at 0.47%, up 4bps QoQ and 8bps YoY.
- **One-time settlement**
  - The bank follows RBI regulations with regard to classifying OTS accounts.
  - There is classification of such accounts on case by case basis.
- **Retail asset quality**
  - The GNPA ratio of retail excluding agri is 82 bps, stable YoY.

(Con call takeaways continue on the next page)

## Deposits Growth

- The deposits were at Rs. 27,641 bn, up by 1.8% QoQ and 16.2% YoY.

## Operating expenses

- **Total opex**
  - Total Opex, at Rs. 174.3 bn, is down by -0.7% QoQ but up by 4.9% YoY.
  - Consequently, cost/income ratio came in at 32.8%, down by -703bps QoQ and -824bps YoY.
  - Cost/income ratio excluding the impact of gain on sale of shares of HDB Financial Services was at 39.6% for 1QFY26.
- **Staff opex**
  - The staff opex is up by 0.7% QoQ and 5.3% YoY.
- **Other opex**
  - Other opex is down by -1.4% QoQ but up by 4.7% YoY.

## Other Income

- Other income for 1QFY26 was at Rs 217.3bn, up 81% QoQ and 104% YoY.
- Other income includes gain on sale of shares of HDB Financial Services amounting to Rs 91.3bn.

## Dividend

- The Board has recommended a special interim dividend of Rs 5 per equity share.
- The Board has also recommended issue of bonus shares in the ratio of 1:1.

## Exhibit 2: Key quarterly balance sheet / business data

Particulars (Rs mn)	Q1 FY26	Q4 FY25	% qoq	Q1 FY25	% yoy
Gross Advances	26,532,000	26,435,000	0.4	24,869,000	6.7
Retail	15,215,000	15,164,000	0.3	14,072,000	8.1
Small and mid-market	5,523,000	5,391,000	2.4	4,715,000	17.1
Corporates & Other Wholesale	7,082,000	7,177,000	(1.3)	11,768,000	(39.8)
IBPC/BRDS	(1,288,000)	(1,298,000)	(0.8)	(881,000)	46.2
<b>Total Deposits</b>	<b>27,640,890</b>	<b>27,147,149</b>	<b>1.8</b>	<b>23,790,845</b>	<b>16.2</b>
CA deposits	2,980,000	3,141,000	(5.1)	2,673,000	11.5
SA deposits	6,390,000	6,305,000	1.3	5,964,000	7.1
Term deposits	18,270,890	17,701,149	3.2	15,153,845	20.6

Source: Company, YES Sec – Research

## Exhibit 3: Key quarterly ratios

(%)	Q1 FY26	Q4 FY25	chg qoq	Q1 FY25	chg yoy
Net Interest Margin	3.35	3.54	-19bps	3.47	-12bps
Yield on Assets	8.10	8.30	-20bps	8.40	-30bps
Cost of Funds	4.80	4.90	-10bps	4.90	-10bps
Non-interest income/Total income	40.9	27.3	1359bps	26.3	1453bps
Fee Income to Avg. Total Assets	0.9	1.0	-10bps	0.9	0bps
Cost to Income ratio	32.8	39.8	-703bps	41.0	-824bps
Opex to Avg. Total Assets	1.8	1.8	-6bps	1.9	-8bps
Credit Cost	2.20	0.5	170bps	0.4	178bps
CASA ratio	33.9	34.8	-90bps	36.3	-240bps
Loan to Deposit ratio	95.1	96.5	-140bps	103.5	-846bps
Capital adequacy ratio	19.9	19.6	33bps	19.3	55bps
Tier I capital ratio	17.8	17.7	10bps	17.3	50bps
Common equity tier 1	17.4	17.2	20bps	16.8	60bps
Annualised Slippage Ratio	1.4	1.2	20bps	1.3	9bps
Provision Coverage Ratio	66.9	67.9	-100bps	71.2	-435bps
RoA*	1.9	1.9	0bps	1.9	4bps
Gross NPA	1.4	1.3	7bps	1.3	7bps
Net NPA	0.5	0.4	4bps	0.4	8bps

Source: Company, YES Sec – Research, \*Annualised,

## Exhibit 4: Quarterly Actuals Vs Estimates

Q1FY26 (Rs. mn)	Actuals	Estimates	Diff, %
Net Interest Income	314,380	322,903	(2.6)
Pre-Prov. Operating Profit	357,340	351,097	1.8
Profit After Tax	181,552	171,927	5.6

Source: Company, YES Sec – Research

## Exhibit 5: Gross Advances Mix - Quarterly

Particulars (Rs mn)	Q1 FY26	Q4 FY25	% qoq	Q1 FY25	% yoy	Q1 FY26 (%)*	chg qoq*	chg yoy*
Retail Mortgages	8,428,000	8,357,000	0.8	7,880,000	7.0	31.8	15bps	8bps
Personal Loans	2,016,000	1,993,000	1.2	1,859,000	8.4	7.6	6bps	12bps
Auto Loans	1,483,000	1,457,000	1.8	1,330,000	11.5	5.6	8bps	24bps
Payment Products	1,135,000	1,136,000	(0.1)	1,034,000	9.8	4.3	-2bps	12bps
Agri	1,153,000	1,184,000	(2.6)	1,001,000	15.2	4.3	-13bps	32bps
Two Wheelers	120,000	124,000	(3.2)	120,000	0.0	0.5	-2bps	-3bps
Gold Loans	189,000	177,000	6.8	149,000	26.8	0.7	4bps	11bps
Other Retail	691,000	736,000	(6.1)	698,000	(1.0)	2.6	-18bps	-20bps
<b>Total Retail Assets</b>	<b>15,215,000</b>	<b>15,164,000</b>	<b>0.3</b>	<b>14,072,000</b>	<b>8.1</b>	<b>57.3</b>	<b>-2bps</b>	<b>76bps</b>
Business Banking	3,944,000	3,827,000	3.1	3,299,000	19.6	14.9	39bps	160bps
Commercial Transportation	1,578,000	1,564,000	0.9	1,416,000	11.4	5.9	3bps	25bps
<b>Small and mid-market</b>	<b>5,523,000</b>	<b>5,391,000</b>	<b>2.4</b>	<b>4,715,000</b>	<b>17.1</b>	<b>20.8</b>	<b>42bps</b>	<b>186bps</b>
Corporates & Other Wholesale	7,082,000	7,177,000	(1.3)	6,963,000	1.7	26.7	-46bps	-131bps
IBPC/BRDS	(1,288,000)	(1,298,000)	(0.8)	(881,000)	46.2	(4.9)	6bps	-131bps
<b>Total Gross Advances</b>	<b>26,532,000</b>	<b>26,435,000</b>	<b>0.4</b>	<b>24,869,000</b>	<b>6.7</b>	<b>100.0</b>	<b>0bps</b>	<b>0bps</b>

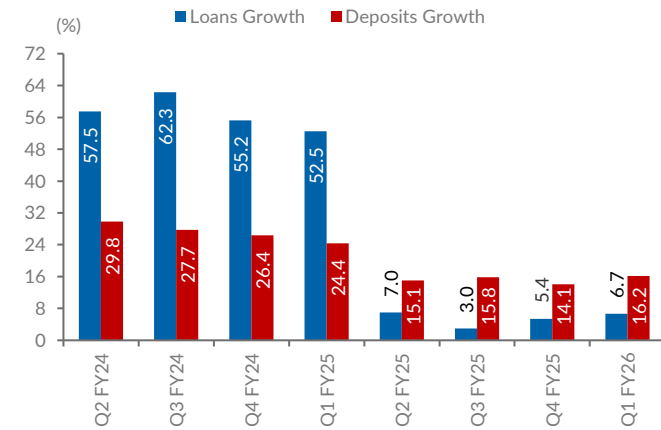
Source: Company, YES Sec – Research, \*Share in total gross advances and change in share

## Exhibit 6: Non-Interest Income Break-up

(Rs mn)	Q1 FY26	Q4 FY25	% qoq	Q1 FY25	% yoy
Fees & commissions	76,000	85,300	(10.9)	70,500	7.8
Foreign exchange & derivatives	16,000	14,400	11.1	14,000	14.3
P/L on sale / revaluation of investments	101,000	3,900	2,489.7	2,200	4,490.9
Miscellaneous income	24,000	16,700	43.7	20,100	19.4
<b>Total Non-Interest Income</b>	<b>217,000</b>	<b>120,300</b>	<b>80.4</b>	<b>106,800</b>	<b>103.2</b>

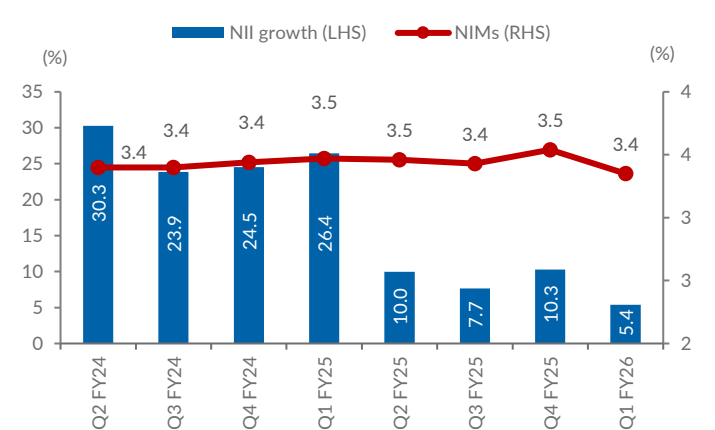
Source: Company, YES Sec – Research

**Exhibit 7: Loans and Deposits growth (YoY %)**



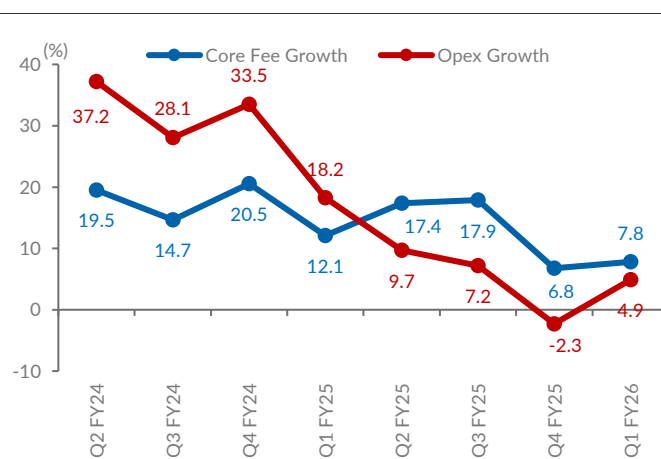
Source: Company, YES Sec – Research

**Exhibit 8: NII growth (YoY %) and NIM**



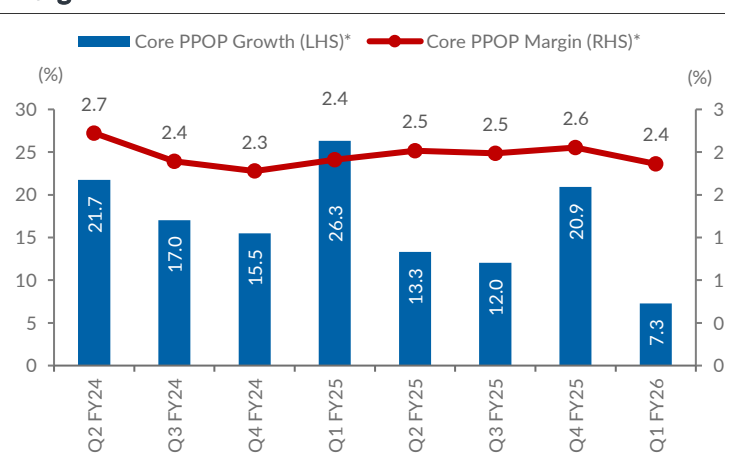
Source: Company, YES Sec – Research

**Exhibit 9: Core Fee and Opex growth (YoY %)**



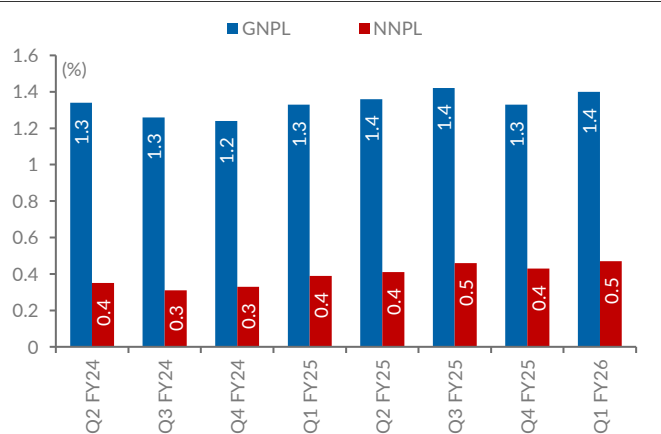
Source: Company, YES Sec – Research

**Exhibit 10: Core PPOP growth (YoY %) and Core PPOP margin**



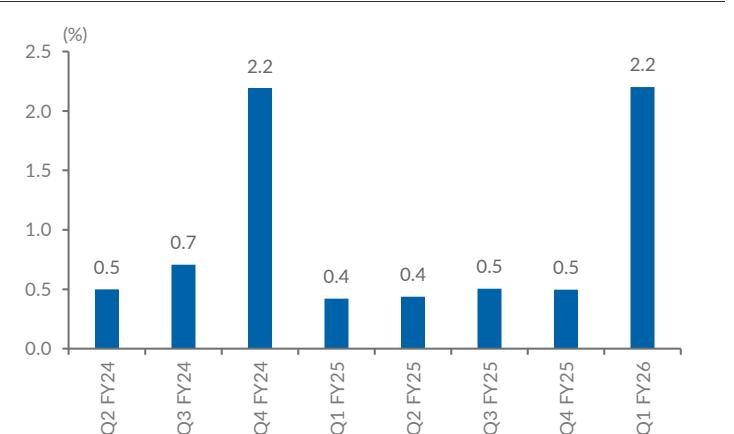
Source: Company, YES Sec – Research, \* Core PPOP is derived by adjusting PPOP for gain/loss on sale of investments and misc. income

**Exhibit 11: Gross NPA and Net NPA (%)**



Source: Company, YES Sec – Research

**Exhibit 12: Provisions/Average Advances (%)**



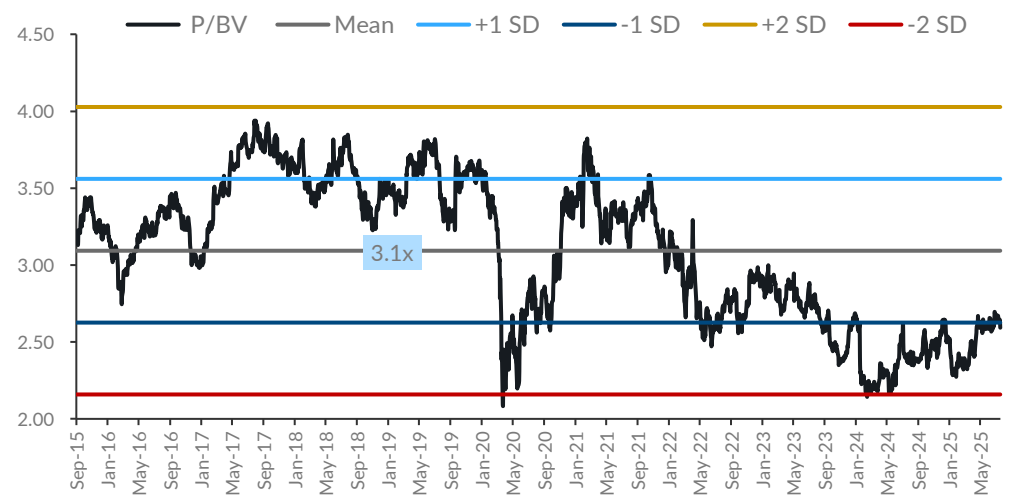
Source: Company, YES Sec – Research

**Exhibit 13: 1-year rolling P/BV band**



Source: Company, YES Sec – Research, N.B. Valuations in this chart are not adjusted / netted out for subsidiaries' value

**Exhibit 14: 1-yr rolling P/BV vis-a-vis the mean and standard deviations**



Source: Company, YES Sec – Research, N.B. Valuations in this chart are not adjusted / netted out for subsidiaries' value



## ANNUAL FINANCIALS

**Exhibit 15: Balance sheet**

Y/e 31 Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Total cash & equivalents	2,191,474	2,395,707	3,227,358	3,344,716	3,812,977
Investments	7,024,150	8,363,597	8,554,749	9,663,787	10,928,090
Advances	24,848,615	26,196,086	29,339,617	33,447,163	38,129,766
Fixed assets	113,990	136,554	150,209	165,230	181,753
Other assets	1,998,002	2,010,046	2,412,055	2,653,261	2,918,587
<b>Total assets</b>	<b>36,176,231</b>	<b>39,101,989</b>	<b>43,683,988</b>	<b>49,274,157</b>	<b>55,971,172</b>
Net worth	4,402,458	5,014,246	5,584,387	6,229,935	6,982,337
Deposits	23,797,863	27,147,149	31,233,738	36,162,794	41,781,917
Borrowings	6,621,531	5,479,309	4,693,426	4,488,049	4,253,919
Other liabilities	1,354,379	1,461,285	2,172,437	2,393,379	2,952,998
<b>Total liabilities incl. Equity</b>	<b>36,176,231</b>	<b>39,101,989</b>	<b>43,683,988</b>	<b>49,274,157</b>	<b>55,971,172</b>

Source: Company, YES Sec – Research

**Exhibit 16: Income statement**

Y/e 31 Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Interest income	2,583,406	3,005,170	3,231,108	3,630,328	4,118,913
Interest expense	(1,498,081)	(1,778,470)	(1,916,455)	(2,122,773)	(2,383,700)
<b>Net interest income</b>	<b>1,085,325</b>	<b>1,226,701</b>	<b>1,314,652</b>	<b>1,507,556</b>	<b>1,735,213</b>
Non-interest income	492,410	456,323	551,319	630,267	716,801
<b>Total income</b>	<b>1,577,735</b>	<b>1,683,024</b>	<b>1,865,972</b>	<b>2,137,823</b>	<b>2,452,015</b>
Operating expenses	(633,860)	(681,749)	(757,514)	(849,431)	(955,991)
<b>PPoP</b>	<b>943,875</b>	<b>1,001,275</b>	<b>1,108,457</b>	<b>1,288,392</b>	<b>1,496,024</b>
Provisions	(234,922)	(116,494)	(165,297)	(220,487)	(251,355)
<b>Profit before tax</b>	<b>708,953</b>	<b>884,781</b>	<b>943,160</b>	<b>1,067,904</b>	<b>1,244,669</b>
Taxes	(100,830)	(211,307)	(235,790)	(266,976)	(311,167)
<b>Net profit</b>	<b>608,123</b>	<b>673,474</b>	<b>707,370</b>	<b>800,928</b>	<b>933,502</b>

Source: Company, YES Sec – Research

## Exhibit 17: Du Pont Analysis (RoA tree)

Y/e 31 Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Interest income	7.9	8.0	7.8	7.8	7.8
Interest expense	-4.6	-4.7	-4.6	-4.6	-4.5
<b>Net interest income</b>	<b>3.3</b>	<b>3.3</b>	<b>3.2</b>	<b>3.2</b>	<b>3.3</b>
Non-interest income	1.5	1.2	1.3	1.4	1.4
<b>Total income</b>	<b>4.8</b>	<b>4.5</b>	<b>4.5</b>	<b>4.6</b>	<b>4.7</b>
Operating expenses	-1.9	-1.8	-1.8	-1.8	-1.8
<b>PPoP</b>	<b>2.9</b>	<b>2.7</b>	<b>2.7</b>	<b>2.8</b>	<b>2.8</b>
Provisions	-0.7	-0.3	-0.4	-0.5	-0.5
<b>Profit before tax</b>	<b>2.2</b>	<b>2.4</b>	<b>2.3</b>	<b>2.3</b>	<b>2.4</b>
Taxes	-0.3	-0.6	-0.6	-0.6	-0.6
<b>Net profit</b>	<b>1.9</b>	<b>1.8</b>	<b>1.7</b>	<b>1.7</b>	<b>1.8</b>

Source: Company, YES Sec – Research

## Exhibit 18: Sum of the Parts (SOTP) - Subsidiaries

Subsidiary	Market Cap / Assigned value (Rs mn)	Valuation metric	Metric value (Rs mn)	Trailing multiple (Implied / Assigned)	Stake (%)	Stake value (Rs mn)	Per share (Rs)
HDB Financial Services	662,699	BV	158,197	4.2x	74.2%	491,657	64.3
HDFC Securities	100,458	BV	33,486	3.0x	94.4%	94,812	12.4
HDFC AMC	1,195,359	QAAUM	8,286,006	14.4%	52.4%	626,846	81.9
HDFC Life	1,592,965	EV	583,550	2.7x	50.3%	800,943	104.7
HDFC ERGO	125,043	PE	5,002	25.0x	50.3%	62,934	8.2
<b>Value of Subsidiaries</b>						<b>2,077,192</b>	<b>271.4</b>

Source: Company, YES Sec – Research

## Exhibit 19: Change in Annual Estimates

Y/e 31 Mar (Rs. mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Interest Income	1,314,652	1,507,556	1,735,213	1,314,652	1,507,556	1,735,213	0.0	0.0	0.0
Pre-Prov. Operating Profit	1,108,457	1,288,392	1,496,024	1,108,457	1,288,392	1,496,024	0.0	0.0	0.0
Profit after tax	707,370	800,928	933,502	707,370	800,928	933,502	0.0	0.0	0.0

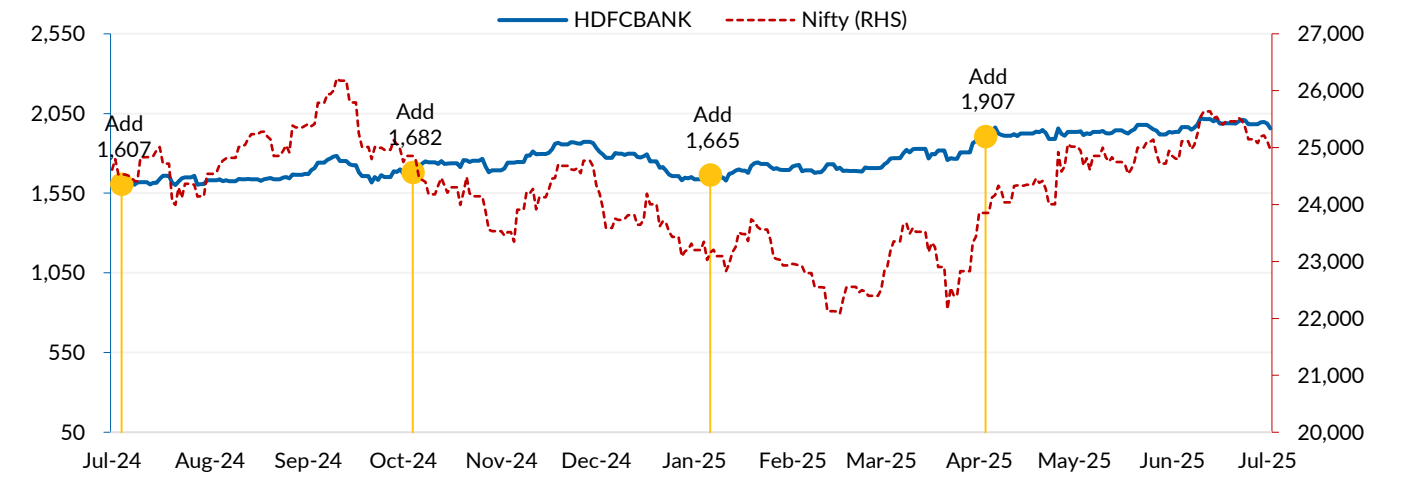
Source: Company, YES Sec – Research

## Exhibit 20: Ratio analysis

Y/e 31 Mar	FY24	FY25	FY26E	FY27E	FY28E
<b>Growth matrix (%)</b>					
Net interest income	25.0	13.0	7.2	14.7	15.1
PPoP	34.1	6.1	10.7	16.2	16.1
Net profit	37.9	10.7	5.0	13.2	16.6
Loans	55.2	5.4	12.0	14.0	14.0
Deposits	26.4	14.1	15.1	15.8	15.5
<b>Profitability Ratios (%)</b>					
Net interest margin	3.5	3.5	3.4	3.5	3.5
Return on Average Equity	15.6	14.3	13.3	13.6	14.1
Return on Average Assets	1.9	1.8	1.7	1.7	1.8
<b>Per share figures (Rs)</b>					
EPS	80.0	88.0	92.4	104.7	122.0
BVPS	580	655	730	814	912
ABVPS	569	640	712	794	890
<b>Valuation multiples</b>					
P/E	21.1	19.2	18.2	16.1	13.8
P/BV	2.9	2.6	2.3	2.1	1.8
P/ABV	3.0	2.6	2.4	2.1	1.9
<b>NIM internals (%)</b>					
Yield on loans	10.1	9.3	9.2	9.2	9.2
Cost of deposits	4.7	4.9	5.2	5.3	5.3
Loan-deposit ratio	104.4	96.5	93.9	92.5	91.3
CASA ratio	38.2	34.8	34.0	34.0	34.0
<b>Opex control (%)</b>					
Cost/Income ratio	40.2	40.5	40.6	39.7	39.0
Cost to average assets	1.9	1.8	1.8	1.8	1.8
<b>Capital adequacy (%)</b>					
Tier 1 capital ratio	16.8	17.7	17.2	16.6	16.0
<b>Asset quality (%)</b>					
Slippage ratio	2.0	1.3	1.2	1.2	1.2
Gross NPL ratio	1.2	1.3	1.4	1.4	1.4
Credit cost	0.5	0.5	0.6	0.7	0.7
Net NPL ratio	0.3	0.4	0.5	0.5	0.5

Source: Company, YES Sec – Research; Valuations are the implied valuation of standalone entity net of subsidiaries

## Recommendation Tracker



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