

CMP: 1,728.70

INDEX DETAILS	
SENSEX	81,151.27
NIFTY (S&P CNX)	24781.1

(Source: Capitaline, [Investing.com](https://www.investing.com))

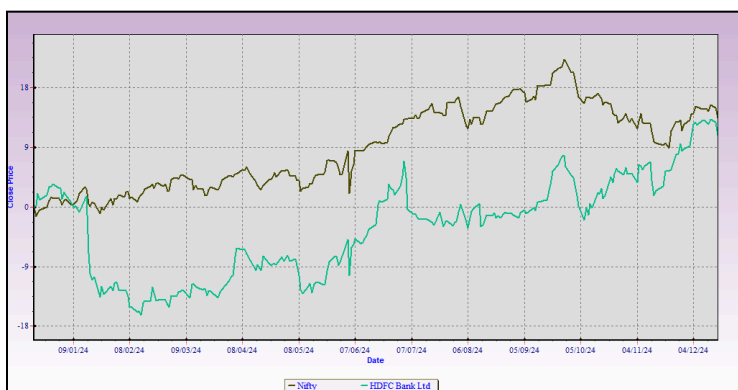
SCRIP DETAILS	
Industry	Private Sector Bank
Mkt Cap (Rs in Crore)	1401190.13
Book Value (Rs)	625.99
Free Float (%)	100.00
Avg Vol Weekly (NSE)	8453483
52 Week H/L (NSE)	1880 / 1363
Dividend Yield (%)	1.06
BSE Code	500180
NSE Code	HDFCBANK

(Source: [Investing.com](https://www.investing.com))

SHAREHOLDING PATTERN (%)		
PARTICULARS	LATEST QUARTER	PREVIOUS QUARTER
Promoters	0.00	0.00
FIIs	41.54	40.79
DIIIs	28.38	28.59
Others	30.08	30.62
Total	100	100

(Source: Capitaline)

Price Comparison with Nifty



Stable asset quality and margins, deposit growth sharply ahead of loan growth

HDFC Bank has reported 5% growth in net profit at Rs 16820.97 crore for the quarter ended September 2024 (Q2FY2025). As per the bank, the net profit adjusted for trading & mark to market gains and tax credits in Q2FY24, grew by 17.0% for Q2FY25. The bank has posted 10% growth in net interest income (NII), while the core fee income of the bank also improved 17% in Q2FY2025. The Net Interest Margin (NIM) of the bank improved to 3.46% in Q2FY2025 compared to 3.40% in the corresponding quarter of previous year.

On business front, the bank as has posted 11% growth in business with 7% rise in loan book. The asset quality of the bank was stable in Q2FY2025. Bank has substantially reduced the credit to deposit ratio to 100.8% at end September 2024 from 108.4% at end September 2023. CASA ratio of the bank has declined to 35.3% at end September 2024 from 37.6% at end September 2023.

Asset quality improves: The bank has maintained stable asset quality in Q2FY2025.

The fresh slippages of loans stood at Rs 7800 crore in Q2FY2025 compared with 7900 crore in previous quarter and Rs 7800 crore in the corresponding quarter last year.

The recoveries and upgradations of NPAs stood at Rs 3600 crore, while the write-off of loans was at Rs 2900 crore in Q2FY2025.

Provision coverage ratio eased to 70% at end September 2024 compared to 71% a quarter ago and 74% a year ago.

The capital adequacy ratio of the bank stood at 19.8% with Tier I ratio at 17.8% at end September 2024.

The risk weighted assets of the bank has increased 14% YoY to Rs 2481300 crore end September 2024.

Asset Quality Indicators: HDFC Bank								
Particulars	Sep-24	Jun-24	Mar-24	Dec-23	Sep-23	Variation		
						QoQ	YTD	YoY
Gross NPA (Rs Crore)	34250.62	33025.69	31173.32	31011.67	31577.89	4	10	8
Net NPA (Rs Crore)	10308.54	9508.44	8091.74	7664.1	8072.79	8	27	28
% Gross NPA	1.36	1.33	1.24	1.26	1.34	3	12	2
% Net NPA	0.41	0.39	0.33	0.31	0.35	2	8	6
% PCR	70	71	74	75	74	-100	-400	-400
% CRAR - Basel III	19.77	19.33	18.8	18.39	19.54	44	97	23
% CRAR - Tier I - Basel III	17.8	17.3	16.8	16.8	17.8	50	100	0

(Source: [NSE](#))

Business Highlights

Deposits growth ahead of loan growth: The business of the bank has increased 11% YoY to Rs 5019088 crore end September 2024, driven by deposits rising 15% to Rs 2500088 crore at end September 2024. The advances increased at moderated pace of 7% to Rs 2519000 crore. Total balance sheet size was Rs 3688100 crore at end September 2024 as against Rs 3416300 crore end September 2023.

CASA deposits ratio declines: The CASA deposits of the bank increased 8% YoY to Rs 883500 crore at end September 2024. The current account deposits increased 11% to Rs 275400 crore, while saving account deposits rose 7% to Rs 608100 crore end September 2024. The CASA ratio declined to 35.3% at end September 2024 compared to 37.6% at end September 2023, while eased from 36.3% a quarter ago. The term deposits have increased 19% to Rs 1616588 crore end September 2024.

Retail loans driving growth, corporate loan declines: Advances growth was driven by retail loans rising 11% YoY to Rs 1315600 crore at end September 2024, while credit to agriculture increased 19% to Rs 108100 crore and MSME 17% to Rs 742700 crore at end September 2024. The corporate credit has declined 12% to Rs 467100 crore end September 2024. The overseas credit has rose 7% to Rs 42823 crore end September 2024.

Investment book of the bank was flat YoY at Rs 724015 crore at end September 2024.

Margins improve yoy: The bank has showed 10 bps YoY rise in cost of funds to 4.9%, while yield on asset rose 10 bps YoY to 8.3% in Q2FY2025. NIM has improved 6 bps YoY and notched down 1 bps qoq to 3.46% in Q2FY2025.

Branch expansion: The bank has added 241 branches and reduced 170 ATMs in Q2FY2025. Bank's distribution network was at 9,092 branches and 20,993 ATMs across 4,088 cities / towns end September 2024 as against 7,945 branches and 20,596 ATMs across 3,836 cities / towns end September 2023. About 51% of branches are in semi- urban and rural areas. In addition, bank has 15,217 business correspondents, which are primarily manned by Common Service Centres (CSC). The number of employees were at 2,06,758 end September 2024 as against 1,97,899 end September 2023.

Book value of the bank stood at Rs 607.4 per share at end September 2024, while the adjusted book value (net of NNPA and 10% of restructured advances) was Rs 593.4 per share at end September 2024.

Quarterly Performance

NII rises on better yoy NIMs: Bank has recorded 9% increase in the interest earned at Rs 74016.91 crore, while interest expenses increased 9% to Rs 43903.01 crore in Q2FY2025. NII improved 10% to Rs 30113.90 crore in the quarter ended September 2024.

Healthy growth in the core fee income: Bank has posted strong 17% growth in core fee income to Rs 8140 crore, while the recoveries and other income moved up 5% to Rs 1590 crore and forex income jumped 20% to Rs 1460 crore. However, the treasury income declined 72% to Rs 290 crore, allowing non-interest income to rise only 7% Rs 11482.73 crore in the quarter ended September 2024.

Stable expenses ratio: The operating expenses of the bank increased 10% to Rs 16890.89 crore, as other expenses moved up 7% to Rs 10905.59 crore, while employee expenses increased 16% to Rs 5985.3 crore in Q2FY2025. Cost to income ratio was nearly stable at 40.6% in Q2FY2025 compared with 40.4% in Q2FY2024, helping the Operating Profit to increase 9% to Rs 24705.74 crore.

Provisions and contingencies decline: The bank has showed 7% decline in provisions to Rs 2700.46 crore. The total credit cost ratio was down at 0.43%, as compared to 0.49% for Q2FY2024.

Effective tax rate increased to 23.6% in Q2FY2025 from 19.3% in Q2FY2024. Net Profit rose by 5% YoY to Rs 16820.97 crore during quarter ended September 2024.

Subsidiary performance

HDB Financial Services (HDBFSL), is a non-deposit taking NBFC in which the Bank holds a 94.5% stake. For Q2FY2025, HDBFSL's net revenue was at Rs 2410 crore. Profit after tax for Q2FY2025 was Rs 590 crore compared to Rs 600 crore for Q2FY2024. Profit after tax for H1FY2025 was Rs 1170 crore. The total loan book was Rs 98600 crore end September 2024. Stage 3 loans were at 2.10% of gross loans. Total CAR was at 19.3% with Tier-I CAR at 14.6%.

HDFC Life Insurance Company (HDFC Life), in which the Bank holds a 50.3% stake, is a leading life insurance solutions provider. Profit after tax for Q2FY2025 was Rs 430 crore compared to Rs 380 crore for Q2FY2024, a growth of 14.9%. Profit after tax for H1FY2025 was Rs 910 crore.

HDFC ERGO General Insurance Company (HDFC ERGO), in which the Bank holds a 50.5% stake, offers a range of general insurance products. Profit after tax for Q2FY2025 was Rs 200 crore, as against profit after tax of Rs 240 crore for Q2FY2024. Profit after tax for H1FY2025 was Rs 330 crore.

HDFC Asset Management Company (HDFC AMC), in which the Bank holds a 52.5% stake, is the Investment Manager to HDFC Mutual Fund, and offers a comprehensive suite of savings and investment products. For Q2FY2025, HDFC AMC's Quarterly Average Assets Under Management were approximately Rs 758800 crore. Profit after tax for Q2FY2025 was Rs 580 crore compared to Rs 440 crore for Q2FY2024, a growth of 31.8%. Profit after tax for H1FY2025 was Rs 1180 crore.

HDFC Securities (HSL), in which the Bank holds a 94.9% stake, is amongst the leading broking firms. For Q2FY2025, HSL's total revenue was Rs 910 crore. Profit after tax for Q2FY2025 was Rs 320 crore, as against Rs 210 crore for Q2FY2024, a growth of 47.1%. Profit after tax for H1FY2025 was Rs 610 crore.

Financial Performance H1FY2025:

Bank has posted 18% increase in net profit to Rs 32995.72 crore in the half year ended September 2024 (H1FY2025). The net interest income increased 18% to Rs 59951.04 crore, while non-interest income moved up 11% to Rs 22150.84 crore, pushing up net total income by 16% to Rs 82101.88 crore in H1FY2025. The operating expenses increased 14% to Rs 33511.50 crore, while provision and contingencies declined 8% to Rs 5302.52 crore, allowing profit before tax to increase 21% to Rs 43287.86 crore in H1FY2025. The cost-to-income ratio improved to 40.8% in H1FY2025 compared to 41.5% in H1FY2024. An effective tax rate rose to 23.8% in H1FY2025 compared to 21.8% in H1FY2024. The net profit has increased 18% to Rs 32995.72 crore in H1FY2025.

HDFC Bank: Results									
Particulars	Q2FY25	Q2FY24	Var %	H1FY25	H1FY24	Var %	FY24	FY23	Var %
Interest Earned	74016.91	67698.39	9	147050.05	116285.2	26	258340.56	161585.55	60
Interest Expended	43903.01	40313.16	9	87099.01	65300.9	33	149808.09	74743.31	100
Net Interest Income	30113.9	27385.23	10	59951.04	50984.3	18	108532.47	86842.24	25
Other Income	11482.73	10707.84	7	22150.84	19937.7	11	49240.99	31214.83	58
Net Total Income	41596.63	38093.07	9	82101.88	70922	16	157773.46	118057.07	34
Operating Expenses	16890.89	15399.19	10	33511.5	29456.1	14	63386.01	47652.09	33
Operating Profits	24705.74	22693.88	9	48590.38	41465.9	17	94387.45	70404.98	34
Provisions & Contingencies	2700.46	2903.83	-7	5302.52	5763.86	-8	23492.14	11919.67	97
Profit Before Tax	22005.28	19790.05	11	43287.86	35702.04	21	70895.31	58485.31	21
EO	0	0	-	0	0	-	0	0	-
PBT after EO	22005.28	19790.05	11	43287.86	35702.04	21	70895.31	58485.31	21
Provision for tax	5184.31	3813.94	36	10292.14	7774.16	32	10083.03	14376.6	-30
PAT	16820.97	15976.11	5	32995.72	27927.88	18	60812.28	44108.71	38
EPS*(Rs)	88.2	83.7		86.5	73.2		79.7	57.8	
Adj BV (Rs)	593.4	522.8		593.4	522.8		568.3	491.4	

(Source: [NSE](#))

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