

**CMP: 843.15**

INDEX DETAILS	
SENSEX	79,486.32
NIFTY (S&P CNX)	24148.2

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

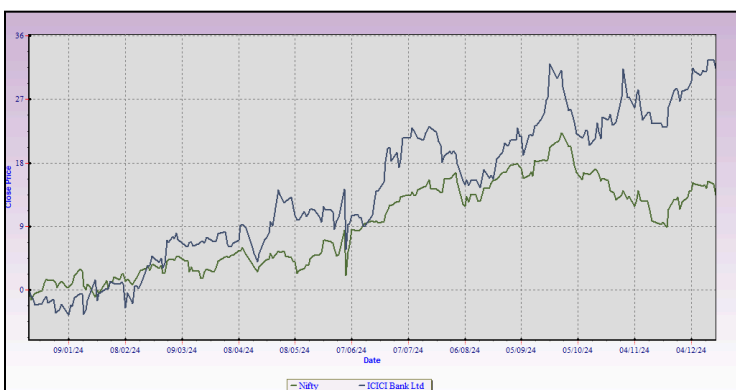
SCRIP DETAILS	
Industry	Private Sector Bank
Mkt Cap (Rs in Crore)	748820.25
Book Value (Rs)	487.97
Free Float (%)	92.07
Avg Vol Weekly (NSE)	8348748
52 Week H/L (NSE)	912 / 601
Dividend Yield (%)	1.63
BSE Code	500112
NSE Code	SBIN

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

SHAREHOLDING PATTERN (%)		
PARTICULARS	LATEST QUARTER	PREVIOUS QUARTER
Promoters	56.92	56.92
FIIs	10.59	11.04
DIIIs	21.88	21.32
Others	10.61	10.72
Total	100	100

(Source: Capitaline)

## Price Comparison with Nifty



## Healthy loan growth and asset quality, margins ease

State Bank of India has reported strong 28% growth in net profit at Rs 18331.44 crore for the quarter ended September 2024 (Q2FY2025). The bank has posted 5% growth in net interest income (NII), while the core fee income of the bank also improved 5% in Q2FY2025. The Net Interest Margin (NIM) of the bank eased to 3.14% in Q2FY2025 compared to 3.31% in the corresponding quarter of previous year.

On business front, the bank as has posted 12% growth in business with strong 15% surge in loan book. The asset quality of the bank has continued to improve in Q2FY2025. Bank has raised the credit to deposit ratio to 76.6% at end September 2024 from 72.7% at end September 2023. CASA ratio of the bank has declined to 38.4% at end September 2024 from 40.2% at end September 2023.

**Asset quality improves:** The bank has continued to improve asset quality in Q2FY2025.

The fresh slippages of loans stood at Rs 4951 crore in Q2FY2025 compared with 8707 crore in previous quarter and Rs 4081 crore in the corresponding quarter last year.

The recoveries and upgrades of NPAs stood at Rs 2600 crore and the write-off of loans was at Rs 3208 crore in Q2FY2025.

The standard restructured loan book of the bank stood at Rs 14830 crore end September 2024 compared to Rs 16015 crore a quarter ago.

Provision coverage ratio increased to 92.21% at end September 2024 compared to 91.76% a quarter ago and 91.93% a year ago.

The capital adequacy ratio of the bank stood at 13.8% with Tier I ratio at 11.3% at end September 2024.

The risk weighted assets of the bank has increased 19% YoY to Rs 3424388 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)	83369.23	84226.04	84276.33	86748.81	86974.08	-1	-1	-4
Net NPA (Rs Crore)	20294.32	21554.69	21051.08	22408.38	21352.4	-6	-4	-5
% Gross NPA	2.13	2.21	2.24	2.42	2.55	-8	-11	-42
% Net NPA	0.53	0.57	0.57	0.64	0.64	-4	-4	-11
% PCR	92.21	91.76	91.89	91.49	91.93	45	32	28
% CRAR - Basel III	13.76	13.86	14.28	13.05	14.28	-10	-52	-52
% CRAR - Tier I - Basel III	11.32	11.78	11.93	10.58	11.78	-46	-61	-46

(Source: [NSE](#))

## Business Highlights

**Healthy business growth:** The business of the bank has increased 12% YoY to Rs 9038004 crore end September 2024, driven by 15% surge in advances to Rs 3920719 crore. Deposits rose 9% to Rs 5117285 crore at end September 2024.

**CASA deposits ratio declines:** The CASA deposits of the bank increased 4% YoY to Rs 1965899 crore at end September 2024. The current account deposits increased 10% to Rs 278398 crore, while saving account deposits rose 3% to Rs 1687501 crore end September 2024. The CASA ratio declined to 38.4% at end September 2024 compared to 40.2% at end September 2023, while eased from 39.1% a quarter ago. The term deposits increased 13% to Rs 2944629 crore end September 2024. Overseas deposits rose 11% to Rs 206757 crore end September 2024.

**Strong loan growth:** Advances growth was driven by retail loans rising 12% YoY to Rs 1396624 crore at end September 2024, while credit to agriculture increased 18% to Rs 322247 crore and MSME 17% to Rs 456491 crore at end September 2024. The corporate credit has also jumped 18% to Rs 1157171 crore end September 2024. The overseas credit has rose 12% to Rs 588185 crore end September 2024.

**Investment book** of the bank declined 3% YoY to Rs 1598761 crore at end September 2024. The SLR book fell 4% to Rs 1310905 crore, while non SLR book rose 2% to Rs 287856 crore at end September 2024. The AFS book dipped 54% to Rs 262836 crore, while HTM book rose 14% to Rs 1207065 crore at end September 2024. The duration of the AFS investment portfolio stood at 1.98 years end September 2024 compared with 1.91 years at end September 2023.

**Margins ease:** The bank has showed 38 bps YoY jump in cost of deposits to 5.03%, while yield on advances rose mere 1 bps YoY to 8.87% in Q2FY2025. Thus, the NIM has declined 17 bps YoY and 8 bps qoq to 3.14% in Q2FY2025.

**Book value** of the bank stood at Rs 439.2 per share at end September 2024, while the adjusted book value (net of NNPA and 10% of restructured advances) was Rs 412.3 per share at end September 2024.

## Quarterly Performance

**NII growth ease as NIM moderates:** Bank has recorded 12% increase in the interest earned at Rs 113870.56 crore, while interest expenses increased 17% to Rs 72251.02 crore in Q2FY2025. NII rose 5% to Rs 41619.54 crore in the quarter ended September 2024.

**Strong treasury income boosts non-interest income:** Bank has posted 5% growth in core fee income to Rs 6834 crore, while the recoveries and other income jumped 39% to Rs 2685 crore. Further, the treasury income surged 130% to Rs 4641 crore and forex income zoomed 273% to Rs 1111 crore. leading to 42% jump in the overall non-interest income to Rs 15270.55 crore in the quarter ended September 2024.

**Expenses ratio improves:** The operating expenses of the bank declined 11% to Rs 27596.35 crore, as employee expenses dipped 22% to Rs 14807.35 crore in Q2FY2025. Other expenses moved up 7% to Rs 12789 crore, Cost to income ratio improved to 48.5% in Q2FY2025 compared with 61.4% in Q2FY2024, helping the Operating Profit to increase 51% to Rs 29293.74 crore.

**Provisions and contingencies decline:** The bank has showed 3809% surge in provisions to Rs 4505.73 crore. The loan loss provisions jumped 100% to Rs 3631 crore, while standard asset provisions rebounded to Rs 274 crore and other provisions to Rs 603 crore. However, the bank reversed investment provisions of Rs 2 crore in Q2FY25.

**Effective tax rate** was steady at 26.0% in Q2FY2025 from 25.8% in Q2FY2024. Net Profit rose by 28% YoY to Rs 18331.44 crore during quarter ended September 2024.

## Financial Performance H1FY2025:

Bank has posted 13% increase in net profit to Rs 35366.61 crore in the half year ended September 2024 (H1FY2025). The net interest income increased 6% to Rs 82745.00 crore, while non-interest income moved up 16% to Rs 26432.42 crore, pushing up net total income by 8% to Rs 109177.42 crore in H1FY2025. The operating expenses declined 6% to Rs 53435.09 crore, while provision and contingencies galloped 204% to Rs 7955.15 crore, allowing profit before tax to increase 14% to Rs 47787.18 crore in H1FY2025. The cost-to-income ratio improved to 48.9% in H1FY2025 compared to 55.8% in H1FY2024. An effective tax rate was steady at 26.0% in H1FY2025 compared to 25.9% in H1FY2024. The net profit has increased 13% to Rs 35366.61 crore in H1FY2025.

HDFC Bank: Results									
Particulars	Q2FY25	Q2FY24	Var %	H1FY25	H1FY24	Var %	FY24	FY23	Var %
<b>Interest Earned</b>	113870.56	101378.8	12	225396.55	197354.25	14	415130.66	332103.06	25
<b>Interest Expended</b>	72251.02	61878.84	17	142651.55	118949.34	20	255254.83	187262.56	36
<b>Net Interest Income</b>	41619.54	39499.96	5	82745	78404.91	6	159875.83	144840.5	10
<b>Other Income</b>	15270.55	10790.63	42	26432.42	22854.01	16	51682.16	36615.6	41
<b>Net Total Income</b>	56890.09	50290.59	13	109177.42	101258.92	8	211557.99	181456.1	17
<b>Operating Expenses</b>	27596.35	30873.97	-11	53435.09	56545.37	-6	117760.81	97743.13	20
<b>Operating Profits</b>	29293.74	19416.62	51	55742.33	44713.55	25	93797.18	83712.97	12
<b>Provisions &amp; Contingencies</b>	4505.73	115.28	3809	7955.15	2616.59	204	4914.22	16507.33	-70
<b>Profit Before Tax</b>	24788.01	19301.34	28	47787.18	42096.96	14	88882.96	67205.64	32
<b>EO</b>	0	0	-	0	0	-	-7100	0	-
<b>PBT after EO</b>	24788.01	19301.34	28	47787.18	42096.96	14	81782.96	67205.64	22
<b>Provision for tax</b>	6456.57	4971.32	30	12420.57	10882.65	14	20706.34	16973.19	22
<b>PAT</b>	18331.44	14330.02	28	35366.61	31214.31	13	61076.62	50232.45	22
<b>EPS*(Rs)</b>	82.2	64.2		79.3	70		74.4	56.3	
<b>Adj BV (Rs)</b>	412.3	341.6		412.3	341.6		363.4	305.1	

(Source: [NSE](#))

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