INVasset Corporate Insights

HDFC BANK

21st February, 2024

INVASSET

India's Best Performing and Most Customer Centric PMS

Pioneering the Private Banking Sector: HDFC Bank, established as one of the first private sector banks in India, has grown to become the largest in its segment. Promoted by HDFC Ltd., which holds a 19.32% stake, the bank offers a wide range of services in retail, wholesale, and treasury operations. As of September 2020, HDFC Bank's reputation for excellence in the banking industry is reflected in its significant market presence.

Robust Financial Health Indicators: For FY22, the bank reported strong financial ratios, showcasing a well-capitalized institution with a Capital Adequacy Ratio of 18.9% and a Net Interest Margin of 3.89%. The quality of its asset base is highlighted by low Gross and Net NPA ratios of 1.17% and 0.32%, respectively. A healthy CASA Ratio of 48% and a Cost to Income ratio of 38.3% further underline its operational efficiency.

Diversified Revenue Streams: HDFC Bank's FY22 segment revenue indicates a balanced portfolio with retail banking contributing 46%, wholesale banking at 27%, treasury operations at 14%, and other banking operations making up 13%. This diversification underscores the bank's ability to leverage different market conditions to maintain a steady revenue flow.

Expansive Global and Domestic Reach: Domestically, HDFC Bank boasts a vast network with 99% of its operations, including over 21,683 banking outlets and 18,130 ATMs across India. Internationally, the bank's footprint extends to Bahrain, Hong Kong, UAE, and Kenya, with a significant balance sheet size of US$7.66 Billion as of March 2022.

Strategic Loan and Payment Systems Leadership: The bank's loan mix is well-distributed among retail, corporate retail banking, and wholesale. HDFC Bank also enjoys a commanding position in India's payments landscape, being a leading player with a substantial market share across various payment instruments and merchant acceptance points.

Dominance in Tax Collection and Banking Markets: HDFC Bank is recognized as the second-largest collector of direct taxes in India and holds a 60% market share in middle-market banking. Its extensive network in semi-urban and rural India and leading position in auto loans, asset categories, and cash management services further solidify its market leadership. The bank's footprint in semi-urban and rural regions marks its commitment to financial inclusion and sustainable development across diverse demographics.

Market Share and Customer Base: A Testimony to Scale: The bank's impressive market share spans across advances, deposits, acquiring volumes, and credit cards. Its expansive customer base and extensive branch network reflect HDFC Bank's formidable balance sheet size, emphasizing its scale and reach in the Indian banking sector.

Future Growth through Strategic Amalgamation: The proposed amalgamation scheme aims to consolidate HDFC's subsidiaries and HDFC Limited with HDFC Bank Limited, set to complete by Q3 FY24. This strategic move, approved by CCI and RBI, is poised to enhance the bank's capabilities and market position further. This forward-looking initiative is expected to fortify HDFC Bank's market presence and create enhanced value for all stakeholders.

Stock Data	
CMP (21-02-2024)	1439.15
52 Week High/Low	1757.5/1363.55
Face Value	1
Market Cap (In Crs)	10,93,035
Enterprise Value (In Crs)	30,34,491
NSE	HDFCBANK
BSE	500180
Bloomberg	HDFCB:IN
Sector	Private Sector Banks

Shareholding Pattern (in %)		
	DEC 23	SEPT 23
FII	52.13%	52.13%
DII	30.54%	30.39%
Public	16.98%	17.30%

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	0.03	8.88	18.88
HDFCBANK	-2.68	-9.53	-12.27

Key Ratios	
P/E	16
P/S	4.34
P/B	2.79
Debt To Equity	7.39
ROE	17.1
ROCE	6.24
Dividend Yield	1.30

Q3 FY 24 Result Update

Q3 FY24 Result Comparison (In Rs Cr)					
	Q3 FY24	Q2 FY24	Q3 FY23	QOQ	YOY
Revenue	78,008	75,039	45,002	3.96%	73.34%
Interest Income	43,242	41,250	20,505	4.83%	110.89%
Profit before Tax	21,243	20,967	16,936	1.32%	25.43%
Net Profit	17,718	17,312	12,735	2.35%	39.13%
EPS	22.73	22.17	22.77	2.53%	-0.18%

Result Highlights

Soaring Sales Signal Strong Market Demand: The company's sales trajectory in Q3 FY24 is a testament to its dynamic market presence, achieving an unprecedented 73.34% year-over-year growth with sales at 78,008 Cr. This remarkable expansion reflects not only a post-pandemic recovery but also the successful capture of new market segments, bolstered by a 3.96% quarter-over-quarter increase. The sales growth underscores the effective alignment of product offerings with consumer demands and the strategic execution of market penetration plans, leading to substantial revenue enhancement and solidifying the company's market leadership.

Interest Income Reflects Financial Strength: A significant increase in interest income to 43,242 Cr, with a year-over-year growth of 110.89%, showcases the company's robust credit portfolio and strategic interest rate optimization. This financial metric's upward trend, including a 4.83% quarter-over-quarter rise, signifies not just the company's adeptness at asset management but also its strategic foresight in navigating the interest environment. The company's financial acumen in this area supports its overarching growth objectives and underlines its commitment to shareholder returns and reinvestment strategies.

Pre-Tax Profits Indicate Operational Efficiency: The company's pre-tax profit of 21,243 Cr in Q3 FY24 is indicative of operational excellence, manifesting a 25.43% year-over-year uptick. This is reflective of stringent cost control measures and efficient revenue generation mechanisms. The 1.32% quarter-over-quarter increase, despite economic headwinds, speaks volumes about the company's resilience and its strategic deployment of resources, reinforcing its status as a fiscally disciplined entity capable of maximizing profits in a challenging economic climate.

Net Profit Margins Highlight Fiscal Fitness: The net profit margin's significant leap to 17,718 Cr, a 39.13% year-over-year surge, is demonstrative of the company's robust fiscal management. This metric, further buoyed by a 2.35% quarter-over-quarter increase, is a clear indicator of the company's adeptness at navigating operational challenges while prioritizing profitability. It highlights the company's commitment to operational excellence and strategic cost optimization, which in turn drives investor confidence and solidifies the company's market position as a profitable and fiscally responsible entity.

Earnings Per Share Demonstrate Shareholder Value: The increase in EPS to 22.73, marking a -0.18% year-over-year and a 2.53% quarter-over-quarter growth, illustrates the company's growing financial health and its positive impact on shareholder wealth. This rise signifies the company's ability to not only generate increased profits but also to efficiently distribute earnings, reflecting a strong return on equity. The consistent enhancement of EPS accentuates the company's strategic financial management and its ongoing commitment to driving shareholder value through conscientious governance and robust financial performance.

Employee Investments Fueling Future Growth: Amidst a backdrop of soaring sales and robust financials, the company has also reported a significant increase in employee expenses, indicative of strategic human capital investments. With a quarter-on-quarter increase of 11.42% and a substantial year-over-year rise of 217.50%, these figures suggest a proactive approach in scaling workforce capabilities to support the expanding operations and market reach. This investment in talent is poised to foster innovation, drive productivity, and ensure that the company remains at the cutting edge of competitive market leadership. It also reflects the company's commitment to nurturing a skilled workforce that can propel forward its strategic objectives and sustain its impressive growth trajectory.

Concall Highlights

Banking on Growth: HDFC Bank Outpaces GDP with Stellar Credit Expansion: HDFC Bank has notably outperformed the GDP's average YOY growth, doubling the pace in credit expansion. Initially, from FY'10-14, while India's GDP grew at 7.2%, the banking sector, propelled by HDFC Bank's remarkable 24% growth rate, achieved a 17% increase. The subsequent period, FY'14-18, continued the trend with HDFC Bank growing at 21%, despite the banking sector aligning closely with the GDP growth of 7.6%. In the latest FY'18-23 phase, even as GDP growth moderated to 4.2%, HDFC Bank maintained a strong 19% growth in credit, outpacing the overall banking sector's 10%. The era also witnessed a significant shift in the composition of bank credit, with private banks like HDFC expanding their share from 21% to 37%, confirming the critical role they play in the nation's credit distribution and economic vitality.

Financial Powerhouse for all: HDFC Bank, a titan in the banking industry, offers a vast range of financial products and services, catering to the diverse needs of individuals and businesses alike. Its retail segment covers various loan types like education and tractor loans, deposit accounts and personal banking services. In the wholesale realm, it provides comprehensive commercial and transactional banking solutions, along with investment banking services to support the financial ambitions of larger corporate entities. The treasury segment rounds out the offerings with key market and asset management services.

The Strategic Merger of HDFC Ltd. with HDFC Bank: On the 1st of July, 2023, HDFC Ltd. and HDFC Bank marked a significant milestone by successfully merging, a move that promises to reshape the financial services landscape. This strategic merger brought together HDFC Ltd's employees into new roles within the bank, ensuring a smooth transition and uninterrupted service. The integration of IT systems has allowed for a unified customer relationship experience, enhancing customer engagement and service quality. The merger has notably fortified the bank's home loan operations through expanded distribution networks and deeper market penetration, while digital innovation has paved the way for comprehensive bundled offerings. With group companies now aligned, HDFC Bank is poised to deliver synergistic benefits and unlock new growth avenues. This merger not only leverages existing networks but also scales up the bank's ability to underwrite larger loans and cross-sell products.

Blueprint for Growth: A Tenfold Pathway: HDFC Bank has charted a detailed strategic plan for advancement, anchored by 10 pivotal elements, split into 3 main segments: Customer Acquisition, Product and Service Delivery, and Relationship Management. Targeting the Government and Institutional sectors for new business. Using digital marketing strategies to widen its customer base. Focusing on rural commercial markets to reach new demographic groups. Offering specialized services to gain a competitive advantage in the Corporate Cluster. Developing wealth management services to serve the affluent clientele. Aiming for a leading role in the payments. Modernizing physical branches for better customer engagement. Implementing Virtual Relationship Management (VRM) for maintaining customer relations online.

Decade of Robust Growth: A Glance at Advances and Deposits: HDFC Bank showcases a solid track record of growth over the past decade, as illustrated in its financial performance from FY13 to FY23. The bank has maintained a strong Compound Annual Growth Rate (CAGR) of 21% in advances and 20% in deposits, demonstrating its proven ability to execute growth strategies effectively. The advances have seen a consistent upward trajectory starting from Rs. 2,413 billion in FY13 and reaching an impressive Rs. 16,142 billion by FY23. Similarly, deposits have followed an upward trend, starting at Rs. 2,962 billion in FY13 and growing to Rs. 18,834 billion in FY23. This consistent growth pattern reflects HDFC Bank's robust financial health and its commitment to long-term, sustainable development.

A Decade of Profit and Value Growth: HDFC Bank's performance over the past ten years showcases a steadfast financial journey, marked by a robust Compound Annual Growth Rate (CAGR) of 21% in profit after tax. Starting from ₹67 billion in FY13, the bank's profits after tax have soared to ₹441 billion by FY23, underlining its proven ability to execute and deliver results consistently across economic cycles. Additionally, the bank has demonstrated substantial growth in shareholder value, with earnings per share (EPS) escalating from ₹14 in FY13 to ₹83 in FY23. Concurrently, the book value per share (BPS) has witnessed a remarkable rise from ₹125 to ₹519 over the same period, indicating a strong and steady enhancement of the bank's intrinsic value. This financial ascendancy reflects HDFC Bank's resilience and strategic acumen in navigating through various market conditions, affirming its position as a banking powerhouse.

HDFC Bank's Sturdy Growth Meets Quality: Maintaining Low GNPA in Rising Credit Tide: From March 2013 to March 2023, the bank's gross advances surged from Rs. 2,413 billion to Rs. 16,142 billion, marking a CAGR of 21% over 10 years . Despite this aggressive growth, HDFC Bank has managed to maintain a low and stable Gross Non-Performing Assets (GNPA) percentage of merely 1.1%. This demonstrates the bank's rigorous credit risk management and its commitment to maintaining a healthy loan.

HDFC Bank's Fiscal Fortitude: Solid Assets and Returns Reflect Growth and Resilience
The bank's asset base has expanded impressively, while maintaining an RoA above 1.9% each year, peaking at 2.1% in FY23. Additionally, it reflected a robust Capital to Risk (Weighted) Assets Ratio (CRAR) with Common Equity Tier 1 (CET1) capital consistently over 16% from FY19 onwards, indicating a strong buffer for growth and stability. The Return on Equity (RoE) has also seen a positive trend, moving from 16.3% in FY19 to 17.4% in FY23.

Steady Growth and Strong Fundamentals: In the Q3 of FY24, HDFC Bank has continued its growth momentum with advances increasing by ₹1.1 trillion, a 4.9% rise. Deposits have also seen a healthy uptick, growing by ₹0.4 trillion, with retail deposits outpacing the general trend with a 2.9% increase. This reflects the bank's ability to attract and retain consumer trust in a competitive market. The bank's asset quality has remained stable, showcasing its prudent risk management practices. With a Return on Assets (RoA) at 2.0% and Return on Equity (RoE) at an impressive 15.8%, the bank maintains its profitability. The earnings per share (EPS) stood at ₹22.7, while the book value per share (BVPS) reached ₹576, indicating a solid value proposition for shareholders. The capital adequacy ratio at 18.4% indicates that the bank is well-capitalized and positioned for sustained growth.

Robust Performance and Prudent Management: HDFC Bank's financial performance in Q3 FY2024 highlights a strong quarter with key metrics indicating healthy growth and effective management. Gross advances climbed by 4.9% quarter-over-quarter to ₹24,693 billion, and deposits rose by 1.9% to ₹22,140 billion, reflecting the bank's ongoing capability to scale its operations. Notably, the Current Account Savings Account (CASA) ratio stood at 38%, emphasizing the bank's stable funding base. The bank posted a substantial net profit of ₹164 billion, with earnings per share (EPS) at ₹21.6, signifying profitability and shareholder value. Asset quality remained robust with a Gross Non-Performing Assets (NPA) ratio of just 1.26%, and the net interest margin was a healthy 3.4%. Return on assets was strong at 2.0%, and the cost-to-income ratio was maintained at 40.3%, showcasing operational efficiency. Moreover, the capital adequacy ratio at 18.4% with a CET1 ratio of 16.3% demonstrates HDFC Bank's solid capital position, ready for future growth.

Steady Climb in Business Growth for Q3 Fy2024: HDFC Bank has reported a solid upward trajectory in its business growth for the third quarter of the financial year 2024, with significant gains in both advances and deposits. The bank's gross advances witnessed a 4.9% increase from the previous quarter, rising from ₹22,444 billion to ₹24,693 billion. Deposits followed suit with a 1.9% growth within the same period, escalating from ₹21,729 billion to ₹22,140 billion. This steady increase in both lending and deposits indicates HDFC Bank's strong market presence and customer trust, reinforcing its position as a leading financial institution adept at expanding its asset base while ensuring a consistent inflow of customer deposits.

Flourishing Across Segments with a Diverse Loan Portfolio: In Q3 FY2024, HDFC Bank has demonstrated robust growth in its diversified loan book. The retail loan segment experienced a 3.3% growth, reaching ₹12,189 billion, with retail mortgages contributing a 3.6% increase. Retail non-mortgages also saw a rise of 2.7%. The Commercial and Rural Banking (CRB) segment outperformed other categories with a 6.7% growth. Overall, the bank's total loan growth amounted to 4.1%. Despite a slight contraction in the eHDFCL Non-Individual segment, the bank's gross advances grew by 4.9%, totaling ₹24,693 billion. The composition of the retail loan book shows a heavy skew towards mortgages, which make up 61% of the retail portfolio, followed by personal loans and auto loans, illustrating the bank's strategic focus on secured lending and consumer finance. This diversified growth indicates HDFC Bank's strong positioning to cater to a wide array of financial needs in the market.

HDFC Bank Touts Robust Deposit Base with Strong CASA Performance: HDFC Bank's deposit structure in Q3 FY2024 remains strong and well-distributed, showcasing the bank's high-quality deposit franchise. The composition of deposits is predominantly retail, with an 83-84% share consistently over the quarters, pointing to a solid base of granular, or widely dispersed, deposits. The Current Account Savings Account (CASA) deposits, which are crucial for the bank's liquidity and cost of funds, have maintained a stable proportion, with the CASA ratio hovering around 38%. This stability indicates customer trust and HDFC Bank's ability to offer attractive products to retain and grow its customer deposits. The steady CASA figures reflect a robust and cost-effective funding source, underlining the bank's strategic acumen in managing its liabilities effectively.

Soaring Profits and Shareholder Earnings: HDFC Bank's financials for Q3 FY2024 showcase a 34% increase in profit after tax, reaching ₹164 billion. Earnings per share (EPS) held steady at ₹21.6, indicating sustained profitability. Both standalone and consolidated EPS figures affirm the bank's financial prowess and commitment to delivering shareholder value. The bank's successful balance of growth with profitability highlights its strong fiscal management and robust financial position.

Diverse Shareholding: Dominated by FIIs and Mfs: As of 31st December 2023, HDFC Bank's shareholding includes a dominant 45.6% by FIIs/FPIs, 16.8% by mutual funds, and 13.5% in ADRs, with individual investors holding 11.7% of the shares among its 2.97 million shareholders.

Strategic Investments Yielding High Returns: HDFC Bank's investment in subsidiary companies totals ₹151 billion, with major stakes in HDFC Financial Services, HDFC Life Insurance, and others. These subsidiaries show substantial profit after tax (PAT) contributions and high book values per share. HDFC Securities and HDFC Credila stand out with exceptionally high earnings per share (EPS), reflecting the bank's strategic and profitable investments across its diverse financial services portfolio.

Commitment to Sustainability: ESG Excellence: HDFC Bank is firmly committed to environmental, social, and governance (ESG) excellence. The bank has implemented a board-approved ESG Risk Management Policy and a Sustainable Finance Framework to enhance its lending practices. Socially, it focuses on inclusive banking, supports business growth, and has a significant gender diversity rate of 24.7%. Its CSR activities have reached over 99.3 million beneficiaries, emphasizing a nurturing work culture. Governed by a diverse board and guided by a CSR & ESG Committee, HDFC Bank has the highest governance score by ISS and has won the ET Award for its CSR & ESG efforts.

Solid Growth and Financial Stability: HDFC Bank in Q3 FY2024 reports a 4.9% growth in gross advances to ₹24,693 billion, with deposits up by 1.9% at ₹22,140 billion. The bank maintains a healthy CASA ratio of 38%, a net interest margin of 3.4%, and a strong return on assets of 2.0%. Profit after tax stands at ₹164 billion, alongside a prudent cost-to-income ratio of 40.3% and a robust capital adequacy ratio of 18.4%.

Balance Sheet: Steady Growth in Q3 Fy2024: HDFC Bank's abridged balance sheet for Q3 FY2024 demonstrates a solid financial position, with total assets slightly increasing by ₹763 billion to ₹34,926 billion compared to the previous quarter. The bank saw loans and advances grow by ₹1,149 billion, despite a decrease in investments by ₹485 billion, indicating a strategic shift in asset allocation. Deposits continued to rise, reaching ₹22,140 billion, while borrowings also saw an increase. Equity and reserves grew by ₹173 billion, contributing to a total liabilities and equity increase that mirrors the asset growth, ensuring a balanced financial structure.

Strong Financial Growth in Advances and Deposits: HDFC Bank's financial growth trajectory is marked by a steady increase in both gross advances and deposits. From June 2023 to December 2023, gross advances escalated from ₹22,444 billion to ₹24,693 billion, marking an uptick of 4.9%. During the same period, deposits also experienced a rise, increasing by 1.9% to reach ₹22,140 billion. This consistent growth in fundamental banking metrics underscores HDFC Bank's expanding financial activities and its capacity to attract and maintain customer deposits, reinforcing its position as a leading banking institution.

Strategic Growth: Branch Expansion and Soaring Customer Base: HDFC Bank's growth strategy is evident in its expanding branch network and increasing customer base. By December 2023, the bank's branch network had grown to 8,091, with a balanced distribution across metro, urban, semi-urban, and rural areas, reflecting a year-over-year increase. Concurrently, the customer base has shown a consistent rise, reaching 93 million by December 2023, indicative of HDFC Bank's successful penetration into various market segments and its focus on building robust customer relationships. The bank's dedication to expanding its physical presence aligns with its goal to enhance accessibility and service for a growing clientele.

Strong Financial Footing in Q3 Fy2024: HDFC Bank showcased strong capital and liquidity positions in the third quarter of FY2024. The capital adequacy ratios were robust, with total capital at 18.4% and Tier 1 capital at 16.8%. The bank's liquidity, measured by the Liquidity Coverage Ratio (LCR), remained solid at 110%, despite a slight dip from earlier quarters. These figures reflect HDFC Bank's consistent adherence to financial health standards, ensuring it stays well-capitalized and liquid in a dynamic economic environment.

Earnings Surge in Q3 Fy24: HDFC Bank's Q3 FY24 income statement reflects a robust financial performance with net interest income rising by 23.9% year-on-year (YoY) to ₹284.7 billion. Non-interest income and net revenue both grew by 31.0% and 25.8% YoY, respectively. Profit after tax showed a notable increase of 33.5% YoY to ₹163.7 billion. Earnings per share (EPS) and Book Value per Share (BVPS) also saw upward trends, with EPS at ₹21.6 and BVPS at ₹556.2, indicating healthy profitability and value growth.

Revenue Rise with Balanced Income Sources: In the Q3 of Dec 2023, HDFC Bank witnessed a notable year-over-year surge in net revenue, ascending to ₹396 billion, which marks a robust 26% increase. The composition of the bank's revenue sources remained robust, with a consistent split between net interest income and non-interest income at 72% and 28%, respectively. This demonstrates HDFC Bank's adept management in balancing its income streams, ensuring a stable financial base while navigating economic fluctuations. This steady income blend reflects the bank's strategic focus on diversifying its revenue channels and strengthening its core financial activities, positioning it well for sustained growth in the competitive banking landscape.

Rising Net Interest Income and Stable Margins: HDFC Bank's third-quarter net interest income climbed to ₹285 billion, marking a substantial 24% growth from the previous year. The bank's net interest margin has shown remarkable stability, maintaining a solid 3.6% throughout the year, which underscores the bank's effective stewardship of its interest-bearing assets and liabilities. This financial acumen not only showcases HDFC Bank's capability to generate profit from its core banking operations but also reflects its strategic resilience in managing economic pressures and capitalizing on interest income opportunities, laying a strong foundation for enduring financial health and investor confidence.

Earnings optimization and Savings with Strategic Asset Mix: HDFC Bank's financial strategy demonstrates effective asset and liability management, with a rising yield on assets reaching 8.3% and a well-maintained cost of funds at 4.9%. The bank has adjusted its advances mix, notably increasing its retail and specifically mortgage portfolios to 48% and 29% respectively, while the CASA ratio stands at 38%. This shift reflects the bank's focus on high-yield retail lending and cost-effective funding to enhance profitability.

Diverse Revenue Streams Bolster Financial Position: HDFC Bank's other income, comprising fees & commissions, FX & derivative income, and other miscellaneous income, has seen a substantial increase, reaching ₹111 billion in Q3 Dec'23. The fee income mix is well-diversified, with retail assets, payments, and third-party products contributing significantly, alongside wholesale. This varied income structure showcases HDFC Bank's strategic approach to revenue generation, tapping into multiple streams for a more resilient financial ecosystem.

Cost Efficiency Amidst Rising Expenditure: HDFC Bank's operating expenses showed an upward trend, reaching ₹160 billion in Q3 Dec'23, with staff costs contributing significantly. Despite this, the bank managed to maintain a stable cost-to-income ratio, hovering around 40%, and a cost-to-assets ratio that improved to 1.9%, reflecting its commitment to cost efficiency and prudent financial management amidst growth.

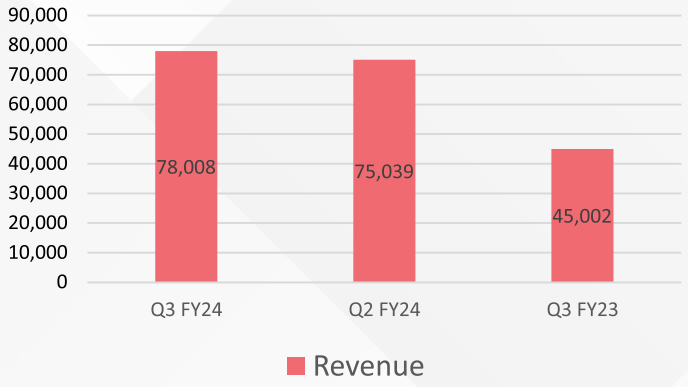
Strong Asset Integrity: HDFC Bank has upheld a robust asset quality, with Gross Non-Performing Assets (GNPA) and Net Non-Performing Assets (NNPA) remaining consistent, at 1.3% and 0.3% respectively as of Dec'23. The GNPA by segment shows resilience across the board, with retail, corporate banking (CRB), and wholesale sectors displaying stable NPA percentages, indicating the bank's effective risk management strategies and its commitment to maintaining a healthy credit portfolio.

Stellar Creditworthiness in HDFC Bank's Corporate Portfolio: HDFC Bank's corporate rating mix showcases a majority stake in high-quality credit ratings, with an increase from 74.7% to 75.7% in 'AA and above' rated wholesale corporate and mid-corporate loans from September to December 2023. This shift signifies a stronger credit profile, with a slight decrease in lower-rated 'BBB' and 'BB and below' categories, indicating the bank's strategic focus on creditworthiness and risk mitigation in its corporate lending practices.

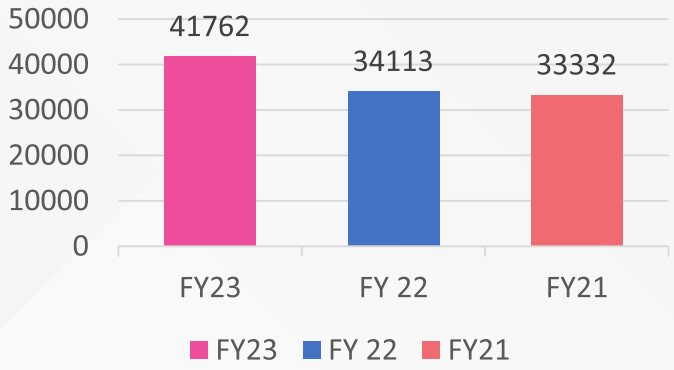
Prudent Provisioning Steadies HDFC Bank's Credit Defense: HDFC Bank's provision charts reveal a strategic decline in credit cost from 74 basis points (bps) in Q3 Dec'22 to 49 bps by Q3 Dec'23, showcasing effective risk management. The stock of provisions remained robust, with a slight increase in total provisions from 492 billion rupees in September to December 2023. The balance between specific, floating, contingent, and general provisions indicates HDFC Bank's commitment to maintaining a solid buffer against potential credit losses.

Earnings Excellence: HDFC Bank's Q3 FY2024 Performance: HDFC Bank's Q3 FY2024 data reveals a solid financial performance with standalone profit after tax climbing to ₹164 billion, a 34% year-on-year growth. Earnings per share have held steady at ₹21.6, demonstrating the bank's consistent profitability amidst growth. The unwavering EPS, both standalone and consolidated, underscores the bank's success in ensuring shareholder value and robust financial health through strategic operations.

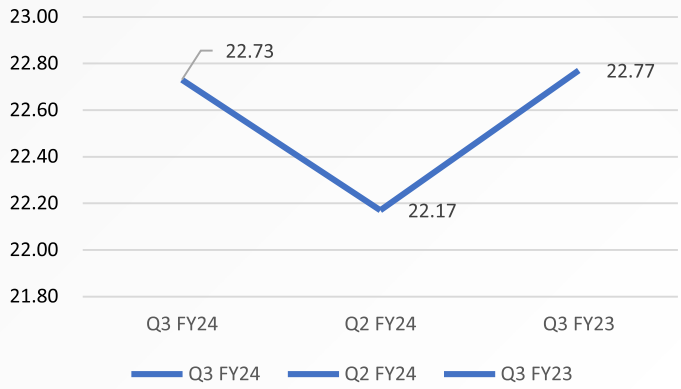
Revenue (In Cr)



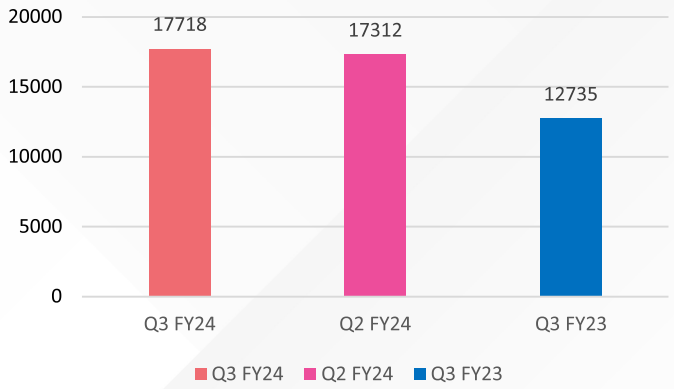
Cashflow (In Cr)



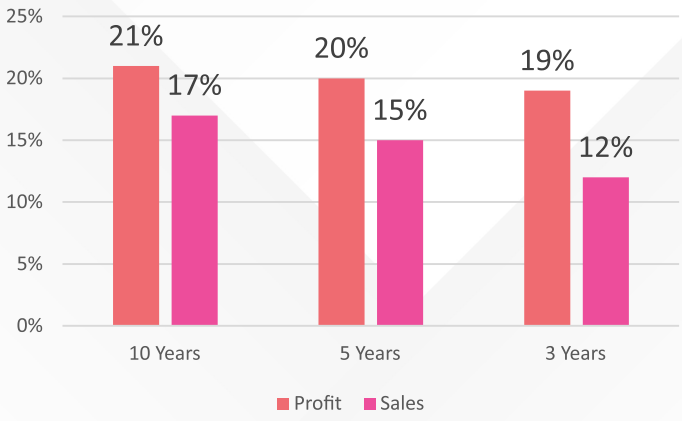
EPS



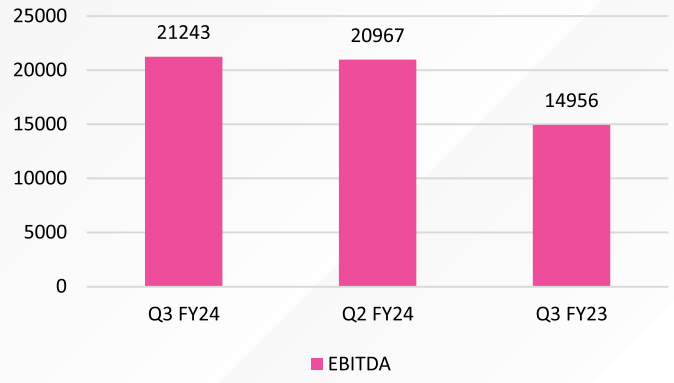
PAT (In Cr)



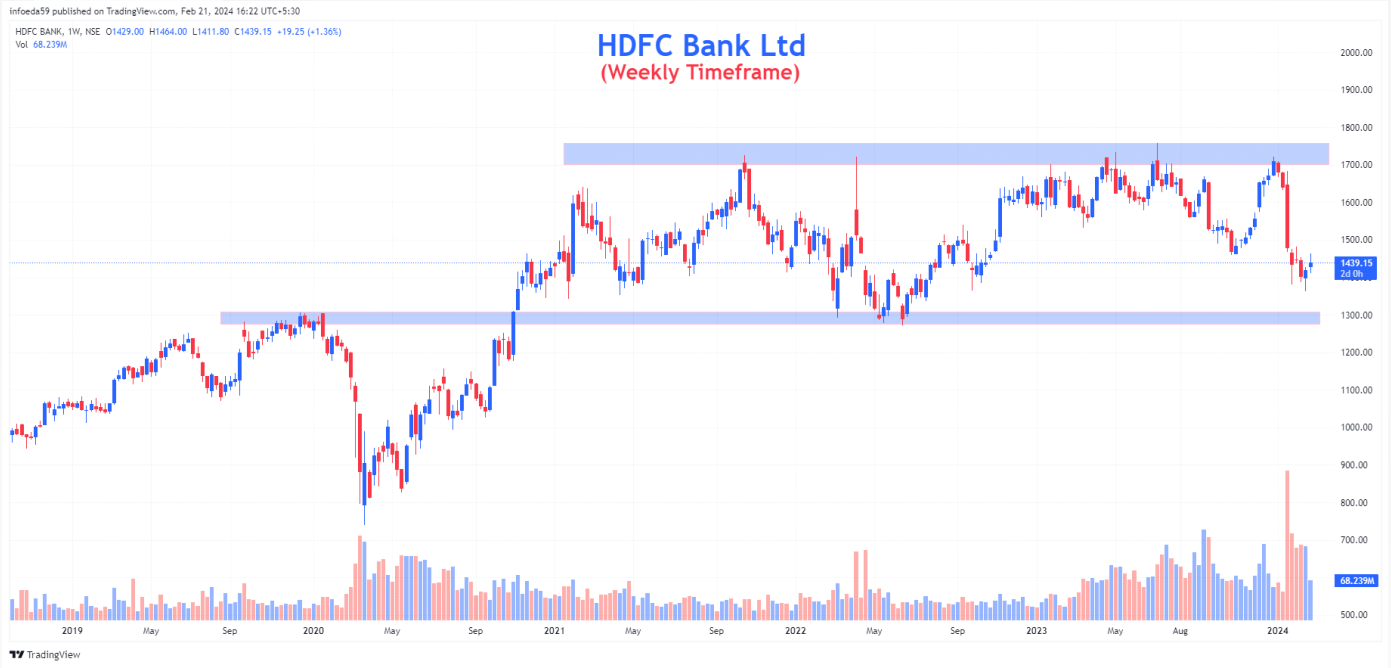
Compounded Growth (In %)



EBITDA(In Cr)



Technical Outlook



The chart shows HDFC Bank Ltd's weekly price action, displaying volatility with notable fluctuations. After a bullish trend in early 2021, the stock experienced resistance around 1800, with subsequent consolidation. A sharp decline is evident in recent weeks, marked by increased volume, indicating significant seller activity. The last recorded price is 1493.15, a decline from previous highs. The overall trend suggests a period of uncertainty, with the stock currently facing downward pressure.

The moving averages for HDFC Bank Ltd indicate a short-term downtrend, with the 5-day and 10-day simple and exponential moving averages (SMA and EMA) lower than the longer-term 50-day, 100-day, and 200-day averages. The Relative Strength Index (RSI) shows neither oversold nor overbought conditions on both daily (43.96) and weekly (38.81) timeframes, suggesting a neutral to bearish momentum. The convergence between SMA and EMA points to a period of consolidation.

Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	1417.9	1425.9
10	1411	1423.9
20	1429.6	1447.9
50	1559.3	1507.7
100	1541.7	1541.5
200	1585	1562.4

Pivot Levels : FIBONACCI		
R1 1470.43	Pivot 1441.12	S1 1424.98
R2 1486.57		S2 1395.67
R3 1515.88		S3 1379.53

	Daily	Weekly
Relative Strength Index (RSI)	43.96	38.81

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