

Q1 2025

1. Profitability analysis

- **Narrative:** Management has been focusing on improving profitability through strategic initiatives aimed at closing the gap in their SMF category target. They have shown a commitment to enhancing their market position by aligning their performance metrics closely with their strategic goals.

- **Management's Guidance:**

- Management expects to achieve their SMF category target of 10%, having reached close to 9% in the past year. They are actively working towards closing this gap as of June, with the understanding that this is a dynamic metric subject to change each quarter.

- **Actual Results:**

['Q1', '2025']:

- Data Not Available

['Q2', '2025']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

2. Asset growth strategies

- **Narrative:** Management has indicated a strategic focus on adjusting the growth rate of advances relative to deposit growth. This suggests a cautious approach to asset growth, prioritizing the strengthening of the deposit base over expanding loan portfolios. The aim appears to be to enhance liquidity and ensure sustainable growth.

- **Management's Guidance:**

- Management expects to grow advances at a slower pace compared to deposit growth, suggesting a shift in strategy to bolster the deposit side of the balance sheet. Additionally, they observed a significant increase in monthly inflows, which are over 20% higher than the previous year's comparable period, indicating robust growth in deposit gathering.

- **Actual Results:**

['Q1', '2025']:

- Data Not Available

['Q2', '2025']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

3. Geographic expansion plans

- **Narrative:** Management highlighted their efforts to expand geographic reach by targeting a significant number of villages, aiming to enhance the company's presence and market outreach.

- **Management's Guidance:**

- Management plans to engage with 225,000 villages to improve market penetration and reach.

- **Actual Results:**

['Q2', '2025']:

- 046c9293338706e015271d5f158027e4 --> Srinivasan Vaidyanathan [We grew 240-odd branches in this quarter, 350 something for the year so far. Last year, we grew 917 branches.]

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- 68d10c26a5beafd9aff4a766eed0db66 --> [HDFC Bank] 0.8 million customers and 44 branches added during Q2 FY25

['Q1', '2025']:

- Srinivasan Vaidyanathan [We are reaching out to 225,000 villages to get that reach to be there.]

- **Evaluation:**

- **Expectations Met:** Management aimed to engage with 225,000 villages to improve market penetration, and they confirmed reaching out to the target number of villages, aligning with their geographic expansion goals.

4. Post-merger financials

- **Narrative:** Management has articulated a strategic vision concerning the merger, emphasizing the importance of achieving certain financial metrics post-integration. This includes a focus on operational efficiencies and cost management to enhance profitability metrics.

- **Management's Guidance:**

- Management has set a target to reduce a specific financial metric to 30% in the longer term, reflecting an aspiration for improved financial performance post-merger.

- **Actual Results:**

['Q1', '2025']:

- Data Not Available

['Q2', '2025']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

5. Borrowings prepayment strategies

- **Narrative:** Management highlighted the scheduled maturity profile for the year, indicating a strategic approach to managing borrowings and prepayments. The focus is on addressing the significant maturities, with a substantial portion already managed in the June quarter.

- **Management's Guidance:**

- The management has provided a maturity profile for the year, detailing a total scheduled maturity of INR650 billion, with INR250 billion of it already addressed in the June quarter.

- **Actual Results:**

['Q2', '2025']:

- cea67d8fa77122cbe8d336b45b00594e --> Srinivasan Vaidyanathan [borrowing mix in the funding profile is about 7% to 8%. For us also, it was 8% before, and it went to 21%.] cea67d8fa77122cbe8d336b45b00594e --> Srinivasan Vaidyanathan [So thereby, currently, it's at about 16%. The borrowing mix is at 16% or so.] b2b468a61b19d39e44d1a564dc7441bd --> Borrowings 7,168 5,993 5,856 (137) (1,312) 94c2c1121e57ad4bc5649e75c086b01c --> Borrowings as a % of Total Liabilities 8% 21% 21% 18% 17% 16%

['Q1', '2025']:

- In Q1 2025, management reported that INR250 billion of borrowings were maturing and got paid in the June quarter, aligning with the management's guidance.

- **Evaluation:**

- **Expectations Met:** Management's guidance indicated addressing INR250 billion in borrowings with a scheduled maturity profile, and the actual results confirmed that this was managed in the June quarter as planned, aligning with their stated goals.