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HDFC Bank Poised to Outpace Peers in Profit Growth as Interest-Earning Assets Surge

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As India's leading private sector banks report strong quarterly results, HDFC Bank appears positioned to outpace rivals in profit growth, driven by a sharp rise in its interest-earning assets and robust net interest income (NII).

In the first quarter of FY26, HDFC Bank posted a **5.4% year-on-year increase in net interest income**, reaching ₹31,438 crore. This surge was a key factor behind the bank's

consolidated net profit, which rose **12.2%** to **₹18,155 crore** for the same period. The performance reflects growing traction in the bank's retail and small and medium enterprise (SME) loan segments.

Analysts note that **HDFC Bank's loan book expanded significantly**, with SME loans increasing by **17.1%**, supporting a wider base of interest-earning assets. This expansion positions the bank for sustained income growth in the quarters ahead.

In contrast, while ICICI Bank also reported strong earnings, HDFC Bank's growth momentum appears stronger. Market watchers observed that although both lenders delivered record profits, HDFC Bank's **faster pace of growth in NII and broader asset mix** give it an edge.

The outlook for the banking sector remains positive as interest-earning portfolios grow, but **HDFC Bank's ability to scale up its core lending segments** may allow it to consolidate its lead in profitability and market share.

This development shows the continuing competition among India's top banks to capture lending demand and deliver value to shareholders through improved interest income.