

Axis Bank (AXSB IN)

Q2FY27 Result Update

October 18, 2026

☒ Estimate Change | ☒ Target | ☐ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	BUY		BUY	
Target Price	1,600		1,550	
NII (INR. mn)	749,690	861,459	762,465	871,137
% Chng.	(1.7)	(1.1)		
Op. Profit (INR mn)	591,229	687,574	621,266	717,271
% Chng.	(4.8)	(4.1)		
EPS (INR)	119.8	139.8	124.5	145.6
% Chng.	(3.8)	(4.0)		

Key Data AXBK.BO | AXSB IN

BSE Code	532215
NSE Code	AXISBANK
52-W High / Low	INR 1,418 / INR 1,150
Face Value	2
Sensex / Nifty	74,729 / 23,146
Market Cap	INR 4,006 bn / \$ 42,186 mn
Shares Outstanding	3113.87 mn
3M Avg. Daily Value	INR 8,423.10 mn

Shareholding Pattern (%)

Promoters	7.87
FII's	43
Mutual Funds	33
Domestic Institution	9.69
Public & Others	6.44
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	3.7	(1.6)	(4.7)	7.5
Relative	3.1	1.6	(0.5)	20.1

Key Financials - Standalone

Y/e Mar	FY26	FY27E	FY28E	FY29E
NII (INR mn)	560,480	631,679	749,690	861,459
NIM (%)	3.4	3.3	3.3	3.4
Core PPOP (INR mn)	417,650	472,722	570,629	666,974
PAT (INR mn)	244,567	304,059	372,918	435,224
Core PAT (INR mn)	235,863	296,343	357,468	419,774
EPS (INR)	78.7	97.7	119.8	139.8
Gr. (%)	(7.6)	24.1	22.6	16.7
DPS (INR)	1.0	1.3	1.6	1.8
Yield (%)	0.1	0.1	0.1	0.1
RoAE (%)	12.7	13.8	14.6	14.8
Core RoAE (%)	12.7	13.8	14.4	14.6
RoAA (%)	1.4	1.5	1.6	1.6
Core RoAA (%)	1.3	1.4	1.5	1.6
P/BV (x)	1.9	1.7	1.5	1.3
P/ABV (x)	1.9	1.7	1.5	1.3
PE (x)	15.6	13.2	10.8	9.2
CAR (%)	16.4	17.2	17.3	17.4

Falling NIM trajectory guided to reverse from Q3FY27

Quick Pointers

- Mixed quarter, higher opex offset by lower provisions
- Ex-FCNR loan growth was healthy at 5.3% QoQ
- LDR is at ~95% which may constrain loan growth

AXSB saw a mixed quarter; while NII was in-line, miss on fee/opex was offset by lower provisions. Core PPOP miss of ~6% was mainly led by opex drag due to one-time impact of INR5bn. Ex-FCNR(B), loan growth was 5.3% QoQ attributable to corporate, SME and retail. Reported NIM was down 10bps QoQ to 3.36% due to 11bps temporary drag from FCNR(B). Bank expects this decline to reverse in Q3FY27. While core earnings quality remains weaker to peers due to sharper NIM decline and one-offs, asset quality is a silver lining that continues to improve. We tweak multiple to 1.6x from 1.7x but raise TP to INR1,600 from INR 1,550 as we roll forward to Sep'28 core ABV. Retain 'BUY'.

NII in-line, higher opex offset by lower provisions: NII was in-line at INR153.7bn with NIM (calc.) at 3.47% (PLe 3.48%); reported NIM was down 10bps QoQ to 3.36% due to FCNR. Loan/deposit growth at 23.0%/20.7% YoY met PLe. LDR was QoQ to 94.6% from 91.9% in Q1FY27. Other income was lower at INR65.3bn (PLe INR73.5bn) due to a miss on fees. Opex at INR108.2bn was a miss by 5.7%. Core PPOP at INR109.3bn was ~6% below PLe; PPOP was INR110.8bn (PLe INR124.9bn). Asset quality improved; GNPA declined to 1.16% (PLe 1.25%) due to lower net slippages. Gross slippages were lower at INR46.8bn (PLe INR59.8bn); recoveries were INR26.6bn (PLe INR25.5bn). Provisions at INR16.9bn were better (PLe INR22.7bn) due to lesser slippages. Core PAT at INR68.9bn was below PLe (INR72.3bn); reported PAT was INR70bn.

Retail loan growth picks up; FCNR supports funding: Credit growth QoQ at 8.9% QoQ was broad based led by corporate (8.0%), SME (8.6%) and retail (9.5%). Corporate growth remains broad-based across capex, project finance, refinancing etc. ECLGS 5.0 sanctions stood at INR107bn, with ~80% disbursed. Ex-FCNR, loan growth was healthy at 5.3% QoQ and retail book growth improved to 3% on strong disbursements, with bank targeting >55% retail mix. Bank garnered FCNR(B) deposits of INR1.1trn with leveraged portion at INR438bn. FCNR funds remain partly undeployed, providing runway for loan growth, while part was used to repay high-cost liabilities.

NIM recovery expected; one-offs weigh on opex: Reported NIM was down 10bps QoQ to 3.36% driven by 11bps temporary FCNR(B) drag; excluding this, NIM was up 1bp QoQ to 3.47%. Bank expects NIM decline to reverse from Q3FY27. Opex was a drag due to (1) one-time impact of INR2.5bn related to labor code and FCNR(B) mobilization and (2) INR5.7bn of other opex of which 60% was attributable to volume, 13% to technology investment & digital and remaining were BAU costs.

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	% Var.	Q2'26A	YoY gr. (%)
NII (INR mn)	1,53,760	1,53,714	-	1,37,446	11.8
Margin (%)	3.5	3.5	(1.4) bps	3.6	(16) bps
Core PPOP (INR mn)	1,19,085	1,09,331	(8.2)	98,245	11.3
Core PAT (INR mn)	72,311	68,914	(4.7)	46,537	48.1

Source: Company, PL

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Q2FY27 Concall Highlights

Balance sheet

- Retail plus MSME constitute 71% of total loans. 72% of loans are floating rate (60% repo-linked, 12% MCLR and other benchmarks) and 44% of the fixed-rate book matures within 12 months.
- Retail book growth (ex-FCNR) has stepped up from ~6% to ~8% to ~10% on strong disbursements, and the bank aims to get back to a >55% retail mix. Corporate growth is selective but broad-based across capex, project finance, refinancing and working capital
- ECLGS 5.0: The bank has sanctioned ~12,500 loans amounting to INR107bn, of which ~80% has been disbursed.
- Management reiterated its medium-term loan growth target of 300bps above industry growth.
- Personal loans remain focused on salaried customers, while self-employed customers are catered to through business loans. Strengthened underwriting, collections and technology have supported higher business loan disbursements, with portfolio quality remaining healthy.
- FCNR(B): Deposits carry a one-year lock-in and are treated as non-callable for LCR purposes, hence excluded from LCR outflow calculations.
- A shift in non-retail term deposits from callable to non-callable slightly raised the outflow rate of the rest of the book. FCNR funds are not fully deployed in assets (runway for growth); part repaid high-cost liabilities. LCR is actively managed within the 115–120% band.

Profit & loss

- The bank reprices existing repo-linked loans in the last week of the quarter; hence the benefit of the latest repo rate hike on the loan book is expected from Q4, while new repo-linked loans will reflect the revised rates earlier.
- NIM of 3.36% includes an ~11bps temporary FCNR(B) drag, with surplus funds being parked in low-yielding securities prior to deployment. Excluding it, NIM was 3.47% (+1bp QoQ). Management expects it to reverse in Q3–Q4 as the funds are deployed, with NIM guidance of 3.8% unchanged.
- Fee income YoY growth is muted as faster corporate growth lowers the asset-linked fee ratio, non-asset-linked fees come with a lag, and card spends were weak (festive season shifted from Sep to Oct).
- INR2.5bn of one-off expense, more than half related to labour code provisions (outsourced employees and ESIC clarifications), excluding one-offs, opex rose ~6% QoQ.

Asset quality

- Management does not expect a material impact from the ECL transition or ongoing provisioning, supported by ~INR80bn in existing contingent provisions.
- 33% of gross slippages in Q2 were linked accounts of borrowers that were standard when classified or were upgraded in the same quarter.
- For Credit cost, improvement trajectory continues and some further improvement can be expected, partly mix-driven but also seen within individual portfolios (slippages, recoveries).

Exhibit 1: Quarterly estimates

(INRmn)	Q1FY27	YoY gr. (%)	Q2FY27	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
NII	1,46,461	8.0	1,53,714	11.8	1,60,062	12.0	1,71,442	18.6
Core PPoP	1,10,801	10.8	1,09,331	11.3	1,20,326	11.9	1,32,264	25.3
NIM (%)	3.5	-21.3 bps	3.5	-14.0 bps	3.5	-8.4 bps	3.5	15.3 bps
Core PAT	66,774	43.7	68,914	48.1	75,890	18.7	84,748	25.1

Source: Company, PL

Exhibit 2: Core PPoP miss of 8.2% due to 3.6%/5.7% miss on other income and opex respectively

Financial Statement (Rs m)	Q2FY27	Q2FY26	YoY gr. (%)	Q2FY27E	% Var.	Q1FY27	QoQ gr. (%)
Interest Income	3,64,188	3,09,702	17.6	3,56,225	2.2	3,39,856	7.2
Interest Expenses	2,10,474	1,72,257	22.2	2,02,464	4.0	1,93,395	8.8
Net interest income (NII)	1,53,714	1,37,446	11.8	1,53,760	(0.0)	1,46,461	5.0
Other Income	65,306	66,246	(1.4)	73,506	(11.2)	67,354	(3.0)
-Fee Income	63,810	60,370	5.7	67,716	(5.8)	61,560	3.7
-Other non interest income	1,496	5,876	(74.5)	5,790	(74.2)	5,794	(74.2)
Total income	2,19,020	2,03,691	7.5	2,27,266	(3.6)	2,13,815	2.4
Operating expenses	1,08,189	99,566	8.7	1,02,391	5.7	97,224	11.3
-Staff expenses	33,144	31,176	6.3	32,415	2.3	30,580	8.4
-Other expenses	75,045	68,390	9.7	69,976	7.2	66,644	12.6
Operating profit	1,10,831	1,04,125	6.4	1,24,875	(11.2)	1,16,591	(4.9)
Core operating profit	1,09,331	98,245	11.3	1,19,085	(8.2)	1,10,801	(1.3)
Total provisions	16,937	35,470	(52.2)	22,670	(25.3)	22,225	(23.8)
Profit before tax	93,893	68,655	36.8	1,02,205	(8.1)	94,366	(0.5)
Tax	23,861	17,759	34.4	25,551	(6.6)	23,226	2.7
Profit after tax	70,033	50,896	37.6	76,654	(8.6)	71,139	(1.6)

Balance sheet (Rs m)

Deposits	1,45,20,662	1,20,34,869	20.7	1,45,21,000	(0.0)	1,37,29,357	5.8
Advances	1,37,37,268	1,11,67,030	23.0	1,37,22,612	0.1	1,26,15,567	8.9

Ratios (%)
Profitability ratios

NIM	3.5	3.6	(16.5)	3.5	(1.4)	3.5	(2.8)
RoaA	1.5	1.3	22.5	1.7	(14.8)	1.6	(10.9)
RoaE	13.6	11.4	221.0	14.9	(127.0)	14.3	(64.2)

Asset Quality

Gross NPL	1,67,775	1,73,077	(3.1)	1,79,154	(6.4)	1,71,243	(2.0)
Net NPL	50,538	51,139	(1.2)	53,746	(6.0)	51,926	(2.7)
Gross NPL ratio	1.16	1.46	-30.0 bps	1.25	-8.8 bps	1.28	-12.0 bps
Net NPL ratio	0.35	0.44	-9.0 bps	0.38	-2.9 bps	0.39	-4.0 bps
Coverage ratio (Calc)	70	70	-57.6 bps	70	-12.2 bps	70	20.0 bps

Business & Other Ratios

Low-cost deposit mix	36.5	39.8	-333.4 bps	37.4	-89.6 bps	38.0	-153.1 bps
Cost-income ratio	49.4	48.9	51.6 bps	45.1	434.3 bps	45.5	392.6 bps
Non int. inc / total income	29.8	32.5	-270.5 bps	32.3	-252.6 bps	31.5	-168.4 bps
Credit deposit ratio	94.6	92.8	181.6 bps	94.5	10.3 bps	91.9	271.7 bps
CAR	16.3	16.6	-28.0 bps			16.7	-40.0 bps
Tier-I	15.0	14.4	53.0 bps			15.4	-39.0 bps

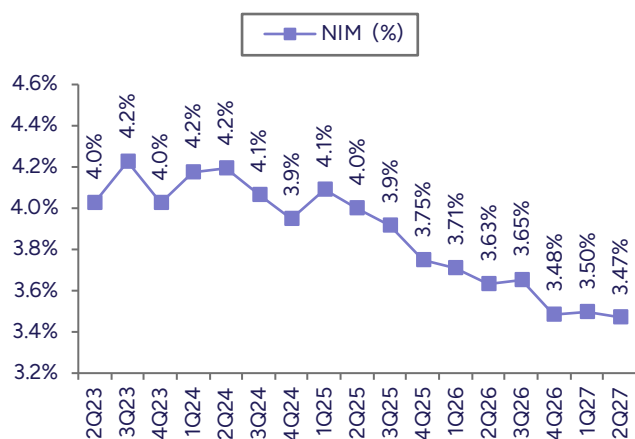
Source: Company, PL

Exhibit 3: Loan growth led by corporate, SME and retail

Segmental Mix (Rs m)	Q2FY27	Q2FY26	YoY gr. (%)	Q1FY27	QoQ gr. (%)
Large & mid-corporate	46,92,300	34,97,000	34.2	41,29,000	13.6
SME Advances	16,45,920	13,15,000	25.2	14,72,000	11.8
Retail	73,99,050	63,55,000	16.4	67,35,000	9.9
- Housing Loans	26,54,380	24,79,620	7.0	26,06,800	1.8
- Personal loans	8,49,540	7,87,100	7.9	8,20,460	3.5
- Auto loans	6,13,970	5,74,870	6.8	5,96,030	3.0

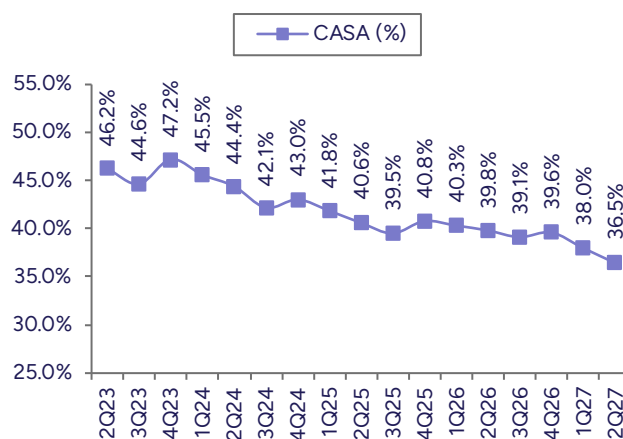
Source: Company, PL

Exhibit 4: NIMs decreased to 3.47%



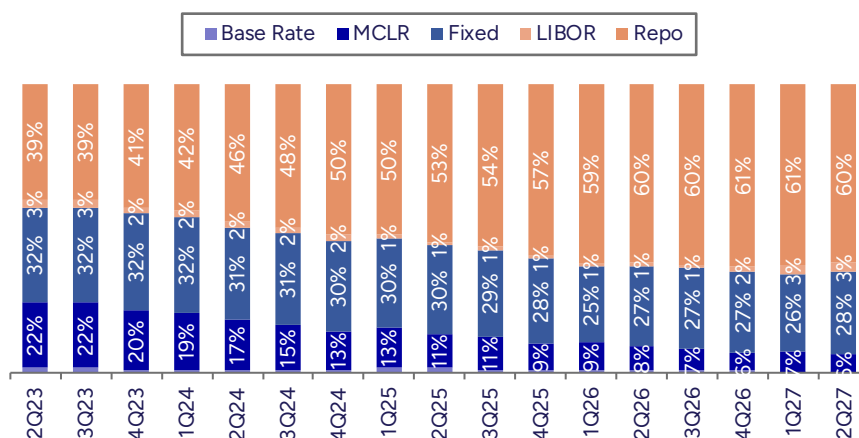
Source: Company, PL

Exhibit 5: CASA decreased to 36.5%



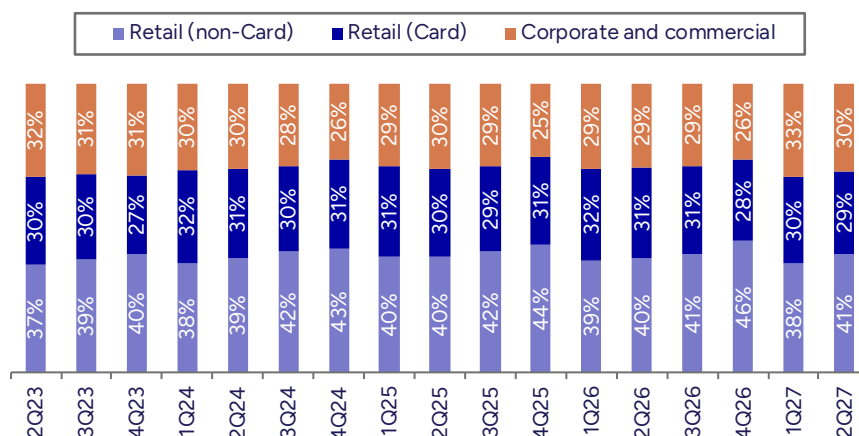
Source: Company, PL

Exhibit 6: Repo linked loans stable at 60%



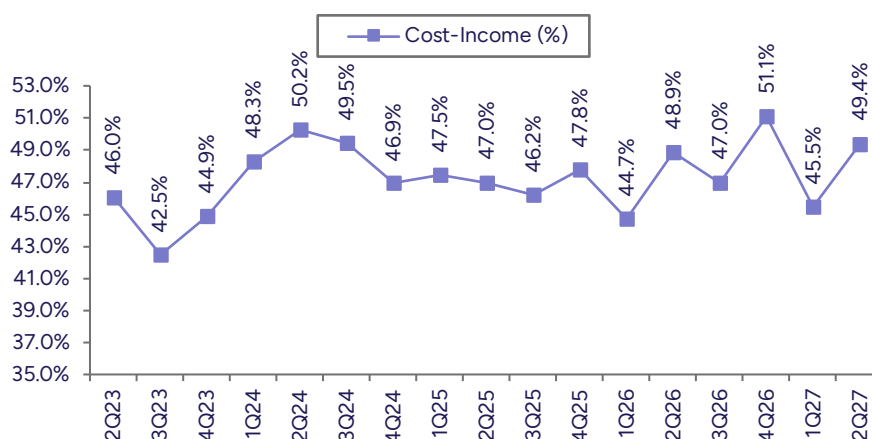
Source: Company, PL

Exhibit 7: Retail fees constitute 70% majorly from cards and payments



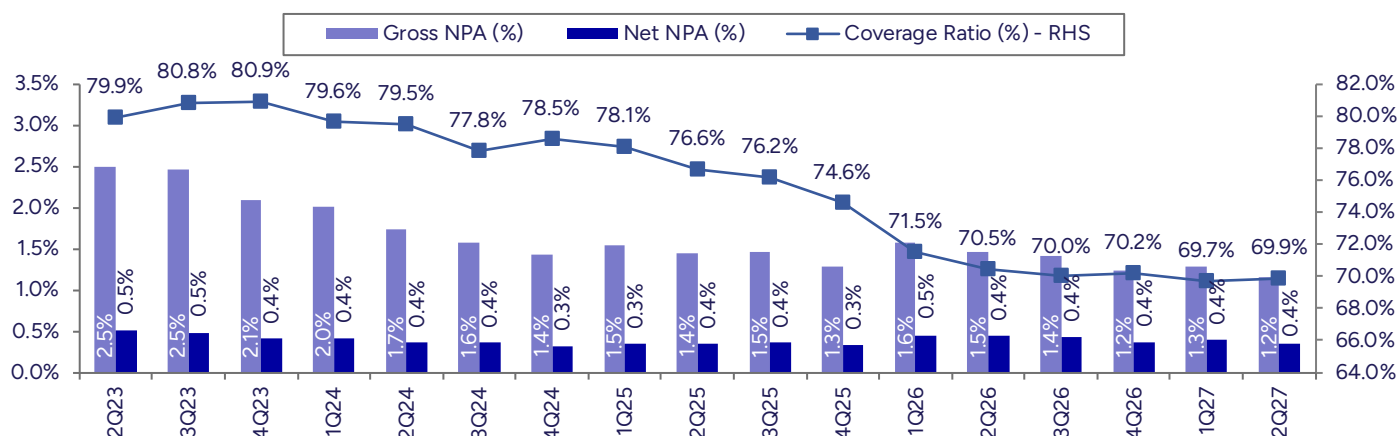
Source: Company, PL

Exhibit 8: C/I increased to 49.4%



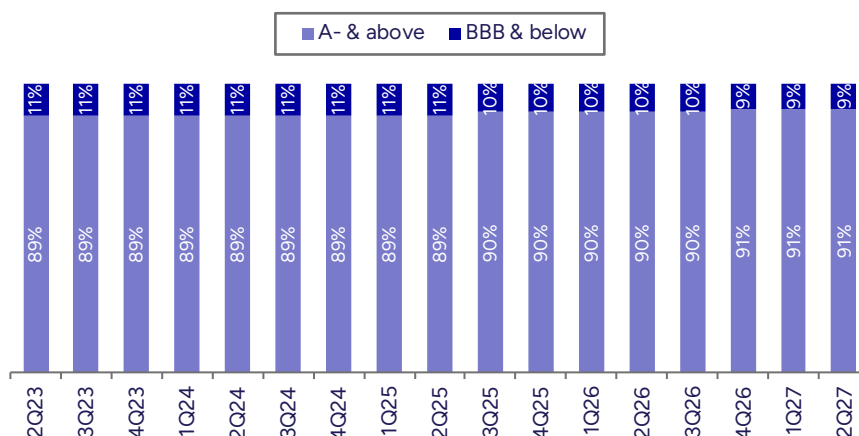
Source: Company, PL

Exhibit 9: Asset quality steady; PCR slightly increased to 69.9%



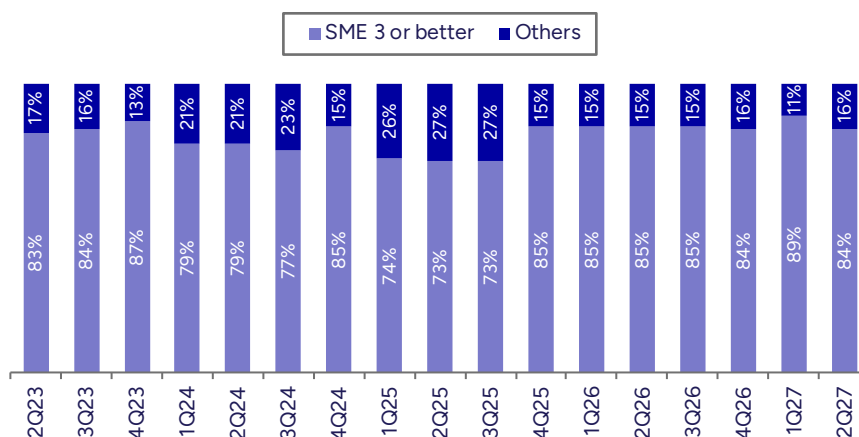
Source: Company, PL

Exhibit 10: Corporate book rating book mix steady at 91:9



Source: Company, PL

Exhibit 11: SME rating mix at 84:16



Source: Company, PL

Exhibit 12: Annualized slippages reduced to 1.54%, restructured book at 0.06%

Stressed Loans (Rs Mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Gross slippages	32540	37150	34710	47930	44430	54320	48050	82000	56960	60070	46750	55660	47620
Recoveries+ Up gradations	19850	25980	21550	15030	20690	19150	27900	21470	28870	28720	26620	21260	23800
Write-offs	26710	19810	20810	22060	31190	31330	33752	27785	32659	32760	30961	23990	27290
Annualized Slippages (%)	1.54	1.76	1.64	1.99	1.84	2.25	1.99	3.15	2.19	2.31	1.80	1.80	1.54
BB & Below book	34,340	28,840	29,780	31,690	34,340	29,210	25,480	24,560	21,820	19,160	17,740	17,940	21,550
NFB O/s to BB & Below exposures	13,260	14,820	14,530	14,130	13,020	13,520	10,560	10,500	8,090	7,020	7,060	6,510	6,290
Investments O/s in BB & Below rating	6,560	6,680	7,000	11,100	10,960	10,960	9,320	9,110	10,300	9,020	8,330	8,440	8,370
Total BB & below book	43,328	40,272	40,535	45,536	46,656	42,952	36,288	35,336	33,374	29,216	27,498	27,299	30,416
% of customer assets	1.26%	1.40%	1.38%	1.44%	1.36%	1.47%	1.42%	1.44%	1.47%	1.47%	1.49%	1.47%	1.34%
Provisions held	10,832	10,068	10,775	11,384	11,664	10,738	9,072	8,834	6,836	5,984	5,632	5,591	5,794
Total Restructured Dispensation	17560	16410	15280	14090	13200	12670	12090	11480	10710	10300	9580	9130	8970
% of loans	0.19%	0.16%	0.16%	0.13%	0.12%	0.12%	0.11%	0.10%	0.09%	0.08%	0.07%	0.07%	0.06%

Source: Company, PL

Exhibit 13: Return ratios to remain around 13.8% to 14.8%

RoA decomposition	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net interest income	3.4	3.6	3.5	3.2	3.1	3.2	3.2
Other Inc. from operations	1.3	1.6	1.6	1.5	1.3	1.3	1.3
Total income	4.7	5.2	5.2	4.7	4.4	4.5	4.5
Employee expenses	0.7	0.8	0.8	0.7	0.6	0.6	0.6
Other operating expenses	1.5	1.7	1.6	1.5	1.4	1.4	1.4
Operating profit	2.6	2.7	2.7	2.4	2.4	2.5	2.6
Tax	0.6	0.6	0.5	0.3	0.5	0.5	0.5
Loan loss provisions	0.2	0.3	0.5	0.8	0.4	0.4	0.4
RoAA	1.8	1.8	1.7	1.4	1.5	1.6	1.6
RoAE	18.2	18.0	15.9	12.7	13.8	14.6	14.8

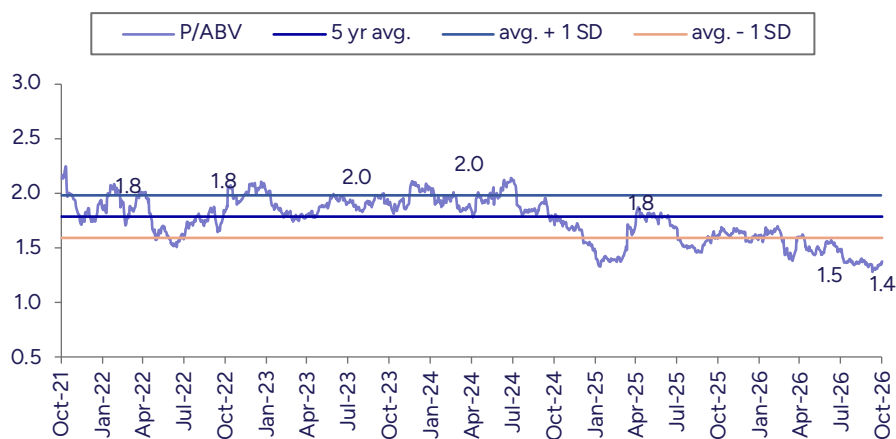
Source: Company, PL

Exhibit 14: SOTP-based TP of Rs1,600 basis Sep'28E core ABV of bank

Particulars	Stake	Rs per share	% of total	Valuation (x)	Basis
Standalone bank	100%	1,442	88.6	1.6	x Sep'28 Core ABV
Axis Finance	100%	67	4.1	3.2	x Mar'26 ABV
Axis AMC	75%	43	2.6	30.0	x Mar'26 PAT
Max Life	19%	27	1.7	1.0	Mkt-cap
Axis Securities	100%	34	2.1	25.0	x Mar'26 PAT
Axis Capital	100%	16	1.0	30.0	x Mar'26 PAT
Total		1,628	100		
Holdco discount		28			
SOTP based TP		1,600			

Source: Company, PL

Exhibit 15: One-year forward P/ABV trades at 1.4x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Income Statement (INR m)								
Interest earned	309,539	312,425	310,635	309,702	322,744	327,241	339,856	364,188
Interest expended	173,481	174,320	175,038	172,257	179,878	182,669	193,395	210,474
Net Interest Income	136,059	138,105	135,598	137,446	142,866	144,572	146,461	153,714
Other income	59,722	67,795	72,581	66,246	62,257	60,226	67,354	65,306
Fees	54,550	63,380	57,460	60,370	61,000	65,610	61,560	63,810
Total Income	195,781	205,901	208,178	203,691	205,122	204,797	213,815	219,020
Operating Expenses	90,442	98,377	93,027	99,566	96,365	104,663	97,224	108,189
Employees	29,846	29,615	32,618	31,176	27,718	31,148	30,580	33,144
Others	60,596	68,762	60,409	68,390	68,647	73,516	66,644	75,045
Operating profit	105,339	107,524	115,152	104,125	108,757	100,134	116,591	110,831
Core PPOp	100,169	103,104	100,032	98,245	107,497	105,524	110,801	109,331
Provisions	21,556	13,594	39,477	35,470	22,459	35,222	22,225	16,937
Profit before tax	83,782	93,930	75,675	68,655	86,298	64,912	94,366	93,893
Taxes	20,745	22,755	17,614	17,759	21,402	(5,801)	23,226	23,861
Net Profit	63,038	71,175	58,061	50,896	64,896	70,713	71,139	70,033
Core PAT	59,148	67,826	46,461	46,537	63,948	67,734	66,774	68,914
Balance Sheet (INR m)								
Share capital	6,190	6,195	6,202	6,206	6,210	6,216	6,222	6,227
Reserves & surplus	1,716,791	1,791,057	1,852,996	1,905,204	1,973,591	2,049,148	2,124,177	2,194,954
Deposits	10,958,828	11,729,520	11,616,146	12,034,869	12,607,859	13,358,340	13,729,357	14,520,662
Borrowings	1,892,554	1,841,465	1,809,708	1,995,060	2,178,664	2,352,706	2,373,166	2,730,855
Other liabilities	682,757	731,062	748,025	824,805	755,392	1,102,089	986,741	1,009,701
Total liabilities	15,257,119	16,099,299	16,033,077	16,766,144	17,521,715	18,868,499	19,219,662	20,462,400
Cash & bank	844,553	997,321	993,221	832,355	1,001,105	1,049,027	1,308,163	1,265,529
Investments	3,532,834	3,961,418	3,606,406	3,918,508	4,184,295	4,450,328	4,389,551	4,534,643
Advances	10,145,641	10,408,113	10,597,244	11,167,030	11,590,517	12,335,699	12,615,567	13,737,268
Fixed assets	60,810	62,917	63,724	64,135	63,287	65,494	66,028	66,400
Other assets	673,281	669,530	772,482	784,116	682,511	967,952	840,354	858,560
Total assets	15,257,119	16,099,299	16,033,077	16,766,144	17,521,715	18,868,499	19,219,662	20,462,400
Balance sheet ratios (%)								
Loan growth	8.8	7.8	8.1	11.7	14.2	18.5	19.0	23.0
Deposit growth	9.1	9.8	9.3	10.7	15.0	13.9	18.2	20.7
LDR	92.6	88.7	91.2	92.8	91.9	92.3	91.9	94.6
CASA	39.5	40.8	40.3	39.8	39.1	39.6	38.0	36.5
Capital Adequacy (%)								
CET-1	14.6	14.7	14.7	14.4	14.5	14.4	14.6	14.6
Tier-2	2.4	2.4	2.2	2.1	2.1	1.6	1.3	1.3
CRAR	17.0	17.1	16.9	16.6	16.6	16.4	16.7	16.3
Profitability ratios (%)								
Yield on assets	8.8	8.3	8.5	8.2	8.0	7.7	8.1	7.9
Cost of funds	5.5	5.2	5.4	5.2	5.1	4.8	5.2	5.2
NIM	3.9	3.7	3.7	3.6	3.5	3.4	3.5	3.4
Fees/Assets	1.5	1.6	1.5	1.5	1.5	1.5	1.4	1.4
Cost/Income	46.2	47.8	44.7	48.9	47.0	51.1	45.5	49.4
Opex/avg assets	2.5	2.4	2.4	2.4	2.4	2.3	2.2	2.2
RoA	1.8	1.7	1.5	1.4	1.4	1.4	1.6	1.5
Core RoA	1.6	1.8	1.2	1.2	1.6	1.5	1.5	1.5
RoE	16.2	15.9	13.2	12.2	12.5	12.7	14.1	13.7
Core RoE	15.1	15.1	11.1	10.7	11.6	12.1	11.4	10.8
EPS (INR)	83.0	85.1	74.9	65.6	74.7	78.7	91.5	90.0
BVPS (INR)	556.7	580.3	599.5	616.0	637.6	661.3	684.8	706.9
ABVPS (INR)	-	-	-	-	-	-	-	-
Asset quality ratios (%)								
GNPA	1.5	1.3	1.6	1.5	1.4	1.2	1.3	1.2
NNPA	0.4	0.3	0.5	0.4	0.4	0.4	0.4	0.4
Provision coverage	76.2	74.6	71.5	70.5	70.0	70.2	69.7	69.9
Provision costs	0.9	0.5	1.5	1.3	0.8	1.2	0.8	0.5
Slippage	2.3	2.0	3.2	2.2	2.3	1.8	1.8	1.5
NNPA/Equity	2.2	2.1	2.7	2.7	2.6	2.3	2.4	2.3

Source: Company, PL

Financials

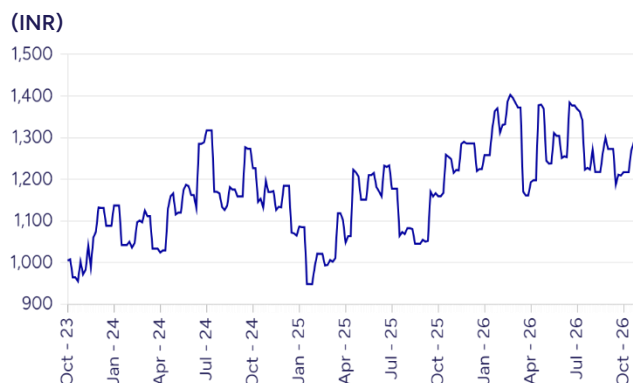
Y/e Mar	FY26	FY27E	FY28E	FY29E
Income Statement (INR m)				
Interest earned	1,270,322	1,481,082	1,748,332	2,004,512
Interest expended	709,842	849,403	998,642	1,143,053
Net Interest Income	560,480	631,679	749,690	861,459
Other income	261,308	273,030	306,994	340,928
Fees	225,365	234,118	253,386	282,651
Net Total Income	821,789	904,709	1,056,684	1,202,388
Operating Expenses	393,621	421,698	465,455	514,814
Employees	122,659	127,956	140,221	148,863
Others	270,961.6	293,741.3	325,234.3	365,951.5
Operating profit	428,168	483,012	591,229	687,574
Core PPOP	417,650	472,722	570,629	666,974
Provisions	132,628	77,570	94,005	107,275
Profit before tax	295,540	405,442	497,224	580,299
Taxes	50,973	101,383	124,306	145,075
Net Profit	244,567	304,059	372,918	435,224
Core PAT	235,863	296,343	357,468	419,774
Growth Ratios (%)				
Loans	18.5	19.2	14.0	14.0
Deposits	13.9	16.7	14.7	14.7
NII	3.1	12.7	18.7	14.9
Fees	9.7	3.9	8.2	11.5
Opex	5.0	7.1	10.4	10.6
Core PPOP	5.6	13.2	20.7	16.9
Provisions	70.9	(41.5)	21.2	14.1
Core PAT	(3.4)	25.6	20.6	17.4
Profitability Ratios (%)				
Yield on IEA	7.7	7.6	7.8	7.8
Cost of funds	4.8	5.0	5.0	5.0
NIM	3.4	3.3	3.3	3.4
Cost/Income	47.9	46.6	44.0	42.8
Provision cost	1.1	0.5	0.6	0.6
Tax rate	17.2	25.0	25.0	25.0
Core RoA	1.3	1.4	1.5	1.6
Core RoE	12.7	13.8	14.4	14.6
Du-pont (%)				
Interest income	7.3	7.2	7.4	7.4
Interest expenses	4.1	4.2	4.2	4.2
NII	3.2	3.1	3.2	3.2
Other income	1.5	1.3	1.3	1.3
Fees/avg assets	1.4	1.3	1.2	1.2
Total income	4.7	4.4	4.5	4.5
Opex/avg assets	2.3	2.1	2.0	1.9
Staff cost	0.7	0.6	0.6	0.6
Other opex	1.5	1.4	1.4	1.4
PPOP	2.4	2.4	2.5	2.6
Core PPOP/avg assets	2.4	2.3	2.4	2.5
Provisions	0.8	0.4	0.4	0.4
PBT	1.7	2.0	2.1	2.2
Tax	0.3	0.5	0.5	0.5
RoA	1.4	1.5	1.6	1.6
RoE	12.7	13.8	14.6	14.8

Source: Company, PL

Y/e Mar	FY26	FY27E	FY28E	FY29E
Balance Sheet (INR m)				
Equity	2,055,364	2,362,092	2,731,057	3,162,329
Share capital	6,216	6,227	6,227	6,227
Deposits	13,358,340	15,589,011	17,877,820	20,503,517
Borrowings	2,352,706	2,997,902	3,319,331	3,668,468
Other Liabilities	1,102,089	1,071,192	1,205,636	1,356,954
Total liabilities	18,868,499	22,020,198	25,133,844	28,691,268
Cash with RBI	786,274	864,052	953,752	1,052,764
Balance with banks	262,753	470,098	549,948	643,361
Investments	4,450,328	4,988,484	5,720,902	6,561,125
Advances	12,335,699	14,701,212	16,752,406	19,089,793
Fixed assets	65,494	67,735	70,485	73,347
Other assets	967,952	928,618	1,086,352	1,270,878
Total assets	18,868,499	22,020,198	25,133,844	28,691,268
Balance sheet ratios (%)				
LDR	92.3	94.3	93.7	93.1
CASA	39.6	37.5	36.6	35.7
Inv/NDTL	26.5	25.4	25.5	25.7
Borr/NDTL	14.0	15.3	14.8	14.4
Assets/equity (x)	9.2	9.3	9.2	9.1
RWA/Loans	110.1	105.3	105.4	105.4
RWA/Total assets	72.0	70.3	70.2	70.2
Capital ratios (%)				
CRAR	16.4	17.2	17.3	17.4
CET-1	14.3	14.4	14.5	14.8
AT-1	0.4	0.4	0.4	0.4
Tier-2	1.6	2.4	2.3	2.3
Asset quality ratios (%)				
GNPA (INR mn)	160,837	174,444	197,808	241,647
NNPA (INR mn)	47,896	52,333	59,342	72,494
GNPA	1.3	1.2	1.2	1.3
NNPA	0.4	0.3	0.3	0.4
PCR	70.2	70.0	70.0	70.0
Slippage	2.4	1.8	1.6	1.5
NNPA / Equity	2.3	2.2	2.2	2.3
Per share (INR)				
EPS	78.7	97.7	119.8	139.8
DPS	1.0	1.3	1.6	1.8
BVPS	661.3	758.6	877.1	1,015.6
ABVPS	645.9	741.5	857.6	991.8
Core BVPS	640.3	737.7	856.2	994.7
Core ABVPS	624.9	720.5	836.7	970.9
Valuation (x)				
Price (INR)	1,225.0	1,290.0	1,290.0	1,290.0
P/E	15.6	13.2	10.8	9.2
P/BV	1.9	1.7	1.5	1.3
P/ABV	1.9	1.7	1.5	1.3
P/core BV	1.7	1.5	1.3	1.1
P/core ABV	1.7	1.6	1.4	1.2

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Oct-26	BUY	1550	1248
2	19-Jul-26	BUY	1550	1329
3	07-Jul-26	BUY	1600	1341
4	26-Apr-26	BUY	1600	1366
5	10-Apr-26	BUY	1500	1319
6	19-Feb-26	BUY	1500	1376
7	27-Jan-26	BUY	1500	1258
8	08-Jan-26	BUY	1425	1296
9	16-Oct-25	BUY	1425	1170
10	07-Oct-25	BUY	1375	1187

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Aditya Birla Sun Life AMC	BUY	1200	1010
2	Axis Bank	BUY	1550	1248
3	Bank of Baroda	Accumulate	280	233
4	Canara Bank	BUY	160	125
5	Canara Robeco Asset Management Company	HOLD	285	225
6	City Union Bank	BUY	250	224
7	DCB Bank	BUY	215	201
8	Federal Bank	BUY	400	320
9	HDFC Asset Management Company	BUY	2850	2352
10	HDFC Bank	BUY	950	711
11	ICICI Bank	BUY	1850	1343
12	ICICI Prudential Asset Management Company	BUY	3420	2969
13	Indian Bank	BUY	1000	835
14	IndusInd Bank	Accumulate	1150	906
15	Karur Vysya Bank	BUY	380	346
16	Kotak Mahindra Bank	BUY	500	432
17	Nippon Life India Asset Management	BUY	1250	1074
18	Prudent Corporate Advisory Services	Accumulate	3175	3200
19	State Bank of India	BUY	1200	959
20	Union Bank of India	Accumulate	190	168
21	UTI Asset Management Company	HOLD	975	888

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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