PL Capital PRABHUDAS LILLADHER

Q1FY27 Result Update

Axis Bank (AXSB IN)

July 19, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	1,550		1,600	
NII (INR. mn)	639,954	738,668	643,551	738,506
% Chng.	*(0.6)*	-		
Op. Profit (INR mn)	516,894	595,370	507,074	590,659
% Chng.	*1.9*	*0.8*		
EPS (INR)	102.8	118.5	100.0	117.9
% Chng.	*2.8*	*0.5*		

Key Data

Key Data	AXBK.BO | AXSB IN
BSE Code	532215
NSE Code	AXISBANK
52-W High / Low	INR 1,418 / INR 1,041
Face Value	2
Sensex / Nifty	78,151 / 24,334
Market Cap	INR 4,133 bn / $ 42,926 mn
Shares Outstanding	3110.97 mn
3M Avg. Daily Value	INR 9,593.42 mn

Shareholding Pattern (%)

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

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(1.7)	(2.3)	2.7	14.5
Relative	(2.9)	(1.8)	9.8	20.6

Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
NII (INR mn)	543,478	560,480	639,954	738,668
NIM (%)	*3.7*	*3.4*	*3.4*	*3.4*
Core PPOP (INR mn)	395,557	417,650	493,729	575,690
PAT (INR mn)	263,735	244,567	319,949	368,756
Core PAT (INR mn)	244,160	235,863	302,556	353,996
EPS (INR)	85.1	78.7	102.9	118.5
Gr. (%)	*5.7*	*(7.6)*	*30.7*	*15.3*
DPS (INR)	1.0	1.0	1.3	1.5
Yield (%)	*0.1*	*0.1*	*0.1*	*0.1*
RoAE (%)	*15.9*	*12.7*	*14.4*	*14.4*
Core RoAE (%)	*15.2*	*12.7*	*14.1*	*14.2*
RoAA (%)	*1.7*	*1.4*	*1.6*	*1.6*
Core RoAA (%)	*1.6*	*1.3*	*1.5*	*1.6*
P/BV (x)	2.0	1.9	1.7	1.5
P/ABV (x)	2.0	1.9	1.8	1.5
PE (x)	13.3	15.6	12.9	11.2
CAR (%)	*17.1*	*16.4*	*16.9*	*17.1*

Margin challenges persist

Quick Pointers

- Soft quarter due to miss on NIM that fell by 16bps QoQ
- Core PPoP beat of 2.8% due to 5.9% beat on opex
- Deposit growth and margin remain key monitorables

AXSB saw a soft quarter as core revenue i.e. NIM and fees were a miss; however, core PAT was a beat due to lower opex. Reported NIM was down 16bps QoQ to 3.46% and mgmt. attributed the fall to agri interest reversal (3bps), loan mix change (4bps) and pricing (9bps). However, NIM has fallen by 34bps YoY; part of it could be explained by repo cut, however, mix change YoY has also contributed; corporate share rose by 462bps while avg. CASA fell by 150bps. Opex remains a silver lining and is likely to further moderate amid loan pricing challenges at industry level. We keep multiple at 1.7x on FY28 core ABV, but trim TP to INR 1,550 from INR 1,600. Retain 'BUY'.

Soft quarter. Beat on core PPoP due to lower opex; reported NIM/fees were a miss: NII was in-line at INR 146.5bn (PLe INR 146.8bn) with NIM (calc.) at 3.50% (PLe 3.52%); reported NIM was down 16bps QoQ to 3.46%. Loan/deposit growth at 19.0%/18.2% YoY met PLe. LDR was steady QoQ at 91.9%. Average CASA improved 76bps QoQ to 35.0%. Other income was lower at INR 67.4bn (PLe INR 69.5bn) due to 4.3% miss on fee. Opex at INR 97.2bn was 5.9% lower. Core PPoP at INR 110.8bn was a 2.8% beat; PPoP was INR 116.6bn. Asset quality was steady; GNPA was marginally higher at 1.28% (PLe 1.25%) due to lower recoveries. Slippage was INR 55.7bn PLe (INR 57.7bn), provisions at INR 22.2bn were broadly in-line. Buffer provisions were intact at INR 70bn (55bps of net loans). Core PAT at INR 66.8bn was 4.6% above PLe; reported PAT was INR 71.1bn.

Loan growth was led by agriculture: Advances grew 2.3% QoQ, mainly led by corporate (+5.2%), agri (+14.3%) and SME (+3%) while retail growth was muted (+0.3%). ECLGS sanctioned was INR 50bn while disbursal till date was INR 24bn, primarily to borrowers in manufacturing and trading sectors Mgmt. reiterated that the ongoing wholesale-led mix shift (contributing to ~16 bps NIM drag) is expected to reverse over time. We are factoring 14/13% loan growth in FY27/28E. However, with CET-1 at ~15%, LDR at 92% and LCR at 119%, deposit growth aided by FCNR remains a key to fund loan growth.

NIM falls QoQ; opex sees one-off reversals: NIM decline of 16 bps QoQ was led by, 3 bps by agri linked interest reversal, 4 bps by balance sheet mix change and 9 bps due to pricing change. Opex decline included INR 2.7bn one-off – reversal of a Q4 provident fund charge (linked to a G-Sec yield spike that has eased), gratuity item and variable pay. Mgmt. expects a higher provision run-rate in the first year of ECL transition.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
NII (INR mn)	1,46,846	1,46,461	-0.3	1,35,598	8.0
Margin (%)	*3.52*	*3.50*	*-3 bps*	*3.71*	*-21 bps*
Core PPoP (INR mn)	1,07,820	1,10,801	2.8	1,00,032	10.8
Core PAT (INR mn)	63,852	66,774	4.6	46,461	43.7

Source: Company, PL

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Q1FY27 Concall Highlights

Balance sheet

- Management reiterated its only growth guidance is advances growth at industry +300 bps over the medium term, declining to give segment or product-level growth numbers.

- ECLGS: Bank has sanctioned INR 50bn and disbursed INR 24bn to date under the scheme, primarily to MSME borrowers in the manufacturing and trading sectors.

- Overseas loan growth remains opportunistic and selective by client/sector, with no change in strategic mix intent; such growth can bunch up in a given quarter.

- FCNR(B) deposits are seeing strong NRI traction; Bank expects to raise above its organic market share and will deploy the resulting surplus liquidity to support growth, with quantum details to follow only in Q2.

- Raised $500mn AT1 in-quarter (+34 bps to CAR) plus $100mn post quarter-end, positioning the Bank to call back existing AT1 on its contracted date; bank reiterated that no equity capital is needed.

- Lower-yielding RIDF bonds declined to INR 57,250mn, now at 0.41% of total assets vs 0.84% a year ago.

- Bank is internally evaluating raising its stake in Max Financial Services to 30%, following RBI's December clarification permitting this, ahead of formal regulatory engagement.

Profit & loss

- NIM at 3.46% was flagged as the cycle bottom, with the structural guidance of 3.8% reiterated over the same timeline. QoQ decline of 16 bps was driven (1) 3 bps due to agri-seasonality linked interest reversal, (2) 4 bps led by balance sheet mix change and (3) 9 bps due to change in pricing of loans.

- Management reiterated that the ongoing wholesale-led mix shift (contributing ~16 bps of the NIM drag) is expected to reverse over time.

- QoQ opex decline included ~INR 2.7bn of one-offs - a reversal of a Q4 Provident Fund charge (linked to a G-Sec yield spike that has since eased), a gratuity item and variable pay; YoY opex growth was driven 38% by volumes and 44% by technology/growth spend, with staff cost down 6% YoY.

- Trading income fell 62% YoY largely due to a high base from realized G-Sec/bond gains booked in Q1FY26.

Asset quality

- The one-time standard asset provision of INR 20.0bn (created in Q4FY26) remains untouched in Q1, reiterated as precautionary with no deterioration in asset quality.

- ECL transition is expected to have a marginal impact on net worth at implementation. Management expects a higher provisioning (credit cost) run-rate in the first year of transition as Stage 1 and Stage 2 provisioning replaces the current 40bps standard asset provisioning framework.

- 31% of gross slippages relate to accounts that were standard when classified or upgraded within the same quarter (technical in nature); management has stopped explicitly quantifying the technical/non-technical split going forward but drew comfort from Q1'27 credit costs tracking similarly to Q3'26.

Exhibit 1: Quarterly estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27E	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
NII	1,46,461	*8.0*	1,56,883	*14.1*	1,63,292	*14.3*	1,73,318	*19.9*
Core PPoP	1,10,801	*10.8*	1,21,749	*23.9*	1,25,224	*16.5*	1,35,959	*28.8*
NIM (%)	*3.5*	*-21.3 bps*	*3.6*	*0.1 bps*	*3.6*	*6.3 bps*	*3.6*	*26.1 bps*
Core PAT	66,774	*43.7*	74,310	*59.7*	76,576	*19.7*	84,897	*25.3*

Source: Company, PL

Exhibit 2: Core PPoP beat of 2.8% due to 5.9% beat on opex

Financial Statement (Rs m)	Q1FY27	Q1FY26	YoY gr. (%)	Q1FY27E	% Var.	Q4FY26	QoQ gr. (%)
Interest Income	3,39,856	3,10,635	*9.4*	3,32,818	*2.1*	3,27,241	*3.9*
Interest Expenses	1,93,395	1,75,038	*10.5*	1,85,972	*4.0*	1,82,669	*5.9*
Net interest income (NII)	**1,46,461**	**1,35,598**	***8.0***	**1,46,846**	***(0.3)***	**1,44,572**	***1.3***
Other Income	67,354	72,581	*(7.2)*	69,468	*(3.0)*	60,226	*11.8*
-Fee Income	61,560	57,460	*7.1*	64,298	*(4.3)*	65,610	*(6.2)*
-Other non interest income	5,794	15,121	*(61.7)*	5,170	*12.1*	(5,385)	*(207.6)*
Total income	**2,13,815**	**2,08,178**	***2.7***	**2,16,314**	***(1.2)***	**2,04,797**	***4.4***
Operating expenses	97,224	93,027	*4.5*	1,03,323	*(5.9)*	1,04,663	*(7.1)*
-Staff expenses	30,580	32,618	*(6.2)*	33,484	*(8.7)*	31,148	*(1.8)*
-Other expenses	66,644	60,409	*10.3*	69,840	*(4.6)*	73,516	*(9.3)*
Operating profit	**1,16,591**	**1,15,152**	***1.3***	**1,12,990**	***3.2***	**1,00,134**	***16.4***
Core operating profit	**1,10,801**	**1,00,032**	***10.8***	**1,07,820**	***2.8***	**1,05,524**	***5.0***
Total provisions	22,225	39,477	*(43.7)*	22,684	*(2.0)*	35,222	*(36.9)*
Profit before tax	**94,366**	**75,675**	***24.7***	**90,307**	***4.5***	**64,912**	***45.4***
Tax	23,226	17,614	*31.9*	22,577	*2.9*	(5,801)	*(500.4)*
Profit after tax	**71,139**	**58,061**	***22.5***	**67,730**	***5.0***	**70,713**	***0.6***
Balance sheet (Rs m)							
Deposits	1,37,29,357	1,16,16,146	*18.2*	1,37,29,000	*0.0*	1,33,58,340	*2.8*
Advances	1,26,15,567	1,05,97,244	*19.0*	1,26,19,233	*(0.0)*	1,23,35,699	*2.3*
Ratios (%)							
Profitability ratios							
NIM	3.5	3.7	*(21)*	3.5	*(3)*	3.5	*1*
RoaA	1.6	1.5	*10*	1.5	*8*	1.6	*(0)*
RoaE	14.3	13.5	*78*	13.6	*66*	14.7	*(42)*
Asset Quality							
Gross NPL	1,71,243	1,77,647	*(3.6)*	1,65,492	*3.5*	1,60,837	*6.5*
Net NPL	51,926	50,660	*2.5*	47,993	*8.2*	47,896	*8.4*
Gross NPL ratio	1.3	1.6	*(29)*	1.3	*3*	1.2	*5*
Net NPL ratio	0.4	0.5	*(6)*	0.4	*2*	0.4	*2*
Coverage ratio (Calc)	69.7	71.5	*(181)*	71.0	*(132)*	70.2	*(54)*
Business & Other Ratios							
Low-cost deposit mix	38.0	40.3	*(230)*	37.4	*55*	39.6	*(160)*
Cost-income ratio	45.5	44.7	*79*	47.8	*(229)*	51.1	*(563)*
Non int. inc / total income	31.5	34.9	*(336)*	32.1	*(61)*	29.4	*209*
Credit deposit ratio	91.9	91.2	*66*	91.9	*(3)*	92.3	*(46)*
CAR	16.7	16.9	*(18)*			16.4	*25*
Tier-I	15.4	14.7	*67*			14.8	*55*

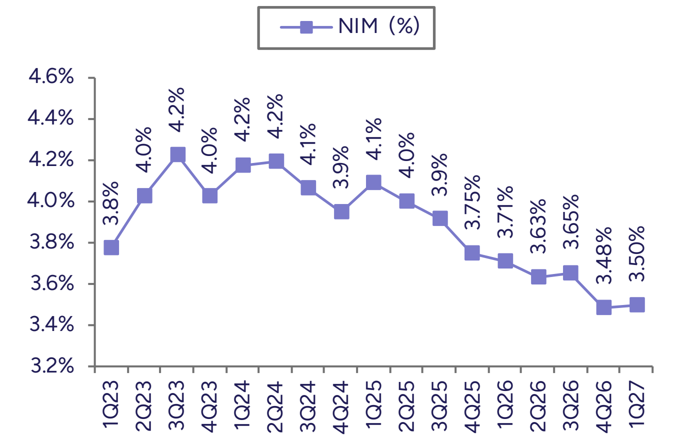
Source: Company, PL

Exhibit 3: Loan growth led by corporate and SME

Segmental Mix (Rs m)	Q1FY27	Q1FY26	YoY gr. (%)	Q4FY26	QoQ gr. (%)
Large & mid-corporate	43,43,920	31,58,920	*37.5*	41,29,000	*5.2*
SME Advances	15,16,190	12,08,720	*25.4*	14,72,000	*3.0*
Retail	67,55,460	62,29,610	*8.4*	67,35,000	*0.3*
- Housing Loans	26,11,290	24,47,160	*6.7*	26,06,800	*0.2*
- Personal loans	8,27,810	7,70,990	*7.4*	8,20,460	*0.9*
- Auto loans	6,01,340	5,77,600	*4.1*	5,96,030	*0.9*

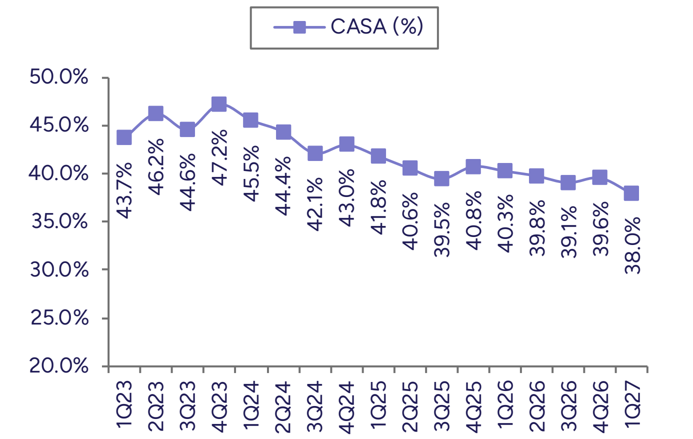
Source: Company, PL

Exhibit 4: NIMs increased to 3.50%



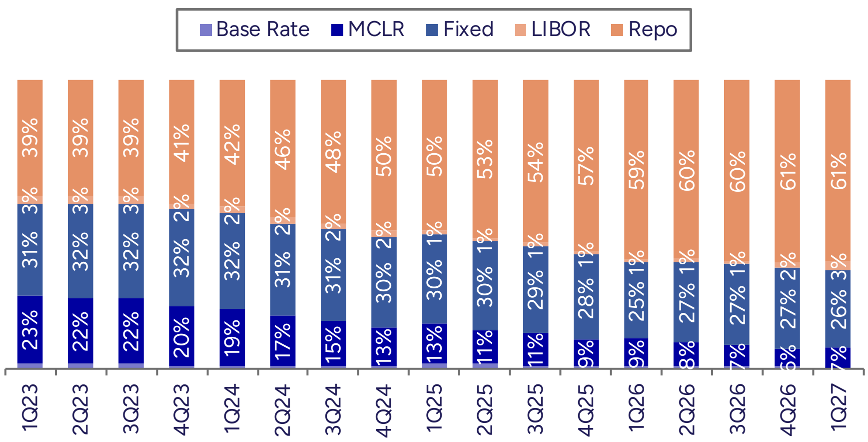
Source: Company, PL

Exhibit 5: CASA decreased to 38%



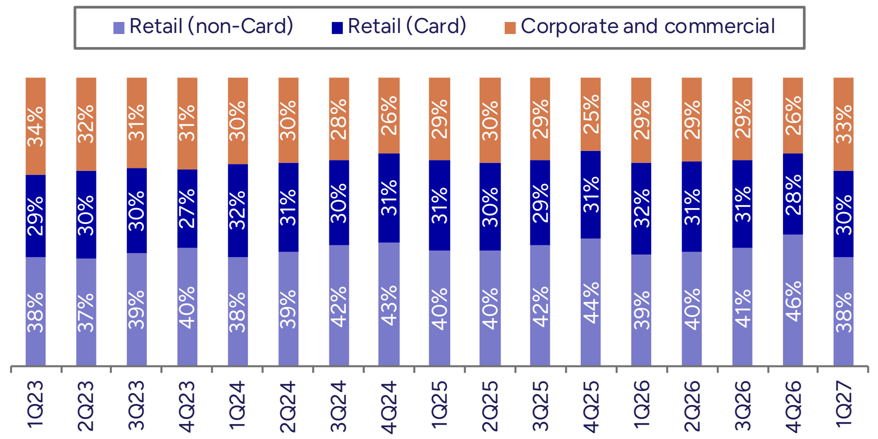
Source: Company, PL

Exhibit 6: Repo linked loans stable at 61%



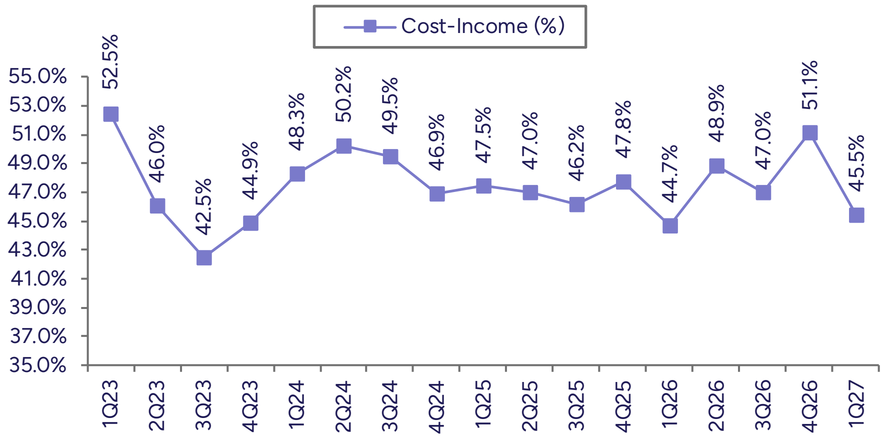
Source: Company, PL

Exhibit 7: Retail fees constitute 68% majorly from cards and payments



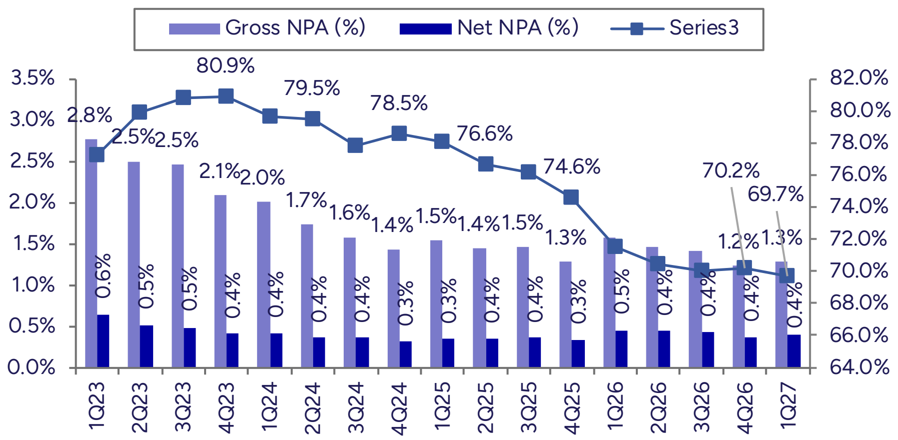
Source: Company, PL

Exhibit 8: C/I decreased to 45.5% due to lower operating expenses



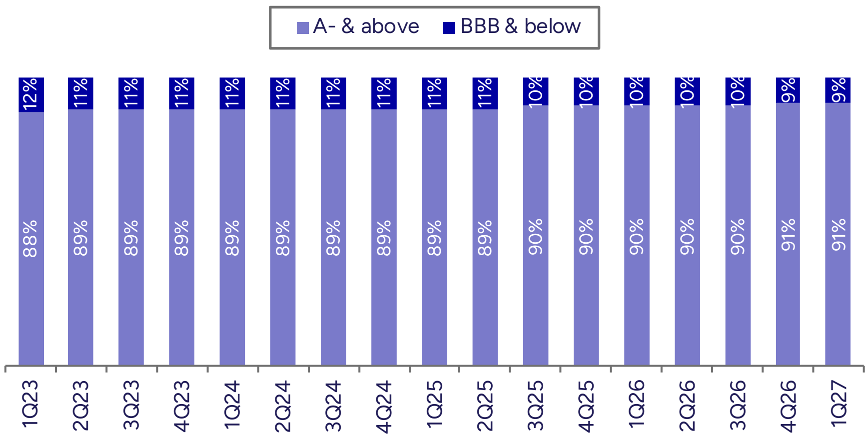
Source: Company, PL

Exhibit 9: Asset quality steady; PCR slightly decreased to 69.7%



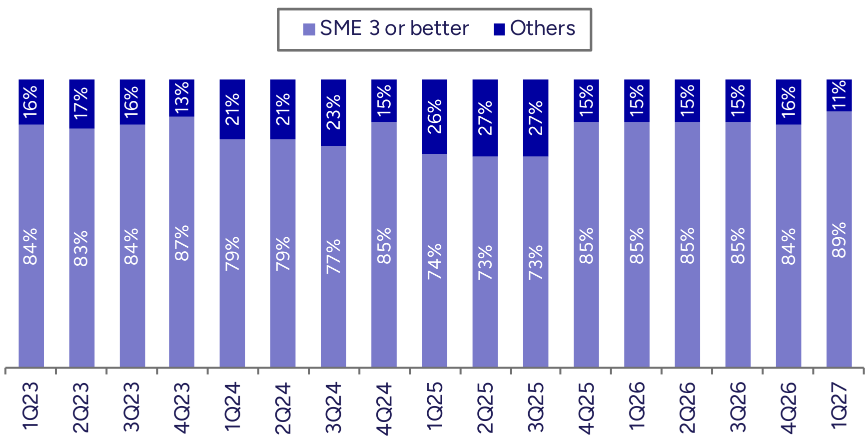
Source: Company, PL

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



Source: Company, PL

Exhibit 11: SME rating mix at 89:11



Source: Company, PL

Exhibit 12: Annualized slippages steady at 1.8%, restructured book at 0.07%

Stressed Loans (Rs Mn)	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Gross slippages	**39,900**	**32,540**	**37,150**	**34,710**	**47,930**	**44,430**	**54,320**	**48,050**	**82,000**	**56,960**	**60,070**	**46,750**	**55,660**
Recoveries+ Up gradations	23,050	19,850	25,980	21,550	15,030	20,690	19,150	27,900	21,470	28,870	28,720	26,620	21,260
Write-offs	21,310	26,710	19,810	20,810	22,060	31,190	31,330	33,752	27,785	32,659	32,760	30,961	23,990
Annualized Slippages (%)	1.89	1.54	1.76	1.64	1.99	1.84	2.25	1.99	3.15	2.19	2.31	1.80	1.80
BB & Below book	**36,450**	**34,340**	**28,840**	**29,780**	**31,690**	**34,340**	**29,210**	**25,480**	**24,560**	**21,820**	**19,160**	**17,740**	**17,940**
NFB O/s to BB & Below exposures	13,850	13,260	14,820	14,530	14,130	13,020	13,520	10,560	10,500	8,090	7,020	7,060	6,510
Investments O/s in BB & Below rating	7,870	6,560	6,680	7,000	11,100	10,960	10,960	9,320	9,110	10,300	9,020	8,330	8,440
Total BB & below book	46,536	43,328	40,272	40,535	45,536	46,656	42,952	36,288	35,336	33,374	29,216	27,498	27,299
% of customer assets	1.3%	1.3%	1.4%	1.4%	1.4%	1.4%	1.5%	1.4%	1.4%	1.5%	1.5%	1.5%	1.5%
Provisions held	11,634	10,832	10,068	10,775	11,384	11,664	10,738	9,072	8,834	6,836	5,984	5,632	5,591
Total Restructured Dispensation	**19070**	**17560**	**16410**	**15280**	**14090**	**13200**	**12670**	**12090**	**11480**	**10710**	**10300**	**9580**	**9130**
% of loans	0.21%	0.19%	0.16%	0.16%	0.13%	0.12%	0.12%	0.11%	0.10%	0.09%	0.08%	0.07%	0.07%

Source: Company, PL

Exhibit 13: Return ratios to remain close to 14.4% over FY27E/28E

RoA decomposition	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net interest income	**3.1**	**3.4**	**3.6**	**3.5**	**3.2**	**3.2**	**3.3**
Other Inc. from operations	1.4	1.3	1.6	1.6	1.5	1.5	1.4
Total income	**4.5**	**4.7**	**5.2**	**5.2**	**4.7**	**4.7**	**4.7**
Employee expenses	0.7	0.7	0.8	0.8	0.7	0.7	0.7
Other operating expenses	1.5	1.5	1.7	1.6	1.5	1.4	1.4
Operating profit	**2.3**	**2.6**	**2.7**	**2.7**	**2.4**	**2.6**	**2.6**
Tax	0.4	0.6	0.6	0.5	0.3	0.5	0.5
Loan loss provisions	0.7	0.2	0.3	0.5	0.8	0.5	0.5
RoAA	**1.2**	**1.8**	**1.8**	**1.7**	**1.4**	**1.6**	**1.6**
RoAE	**12.0**	**18.2**	**18.0**	**15.9**	**12.7**	**14.4**	**14.4**

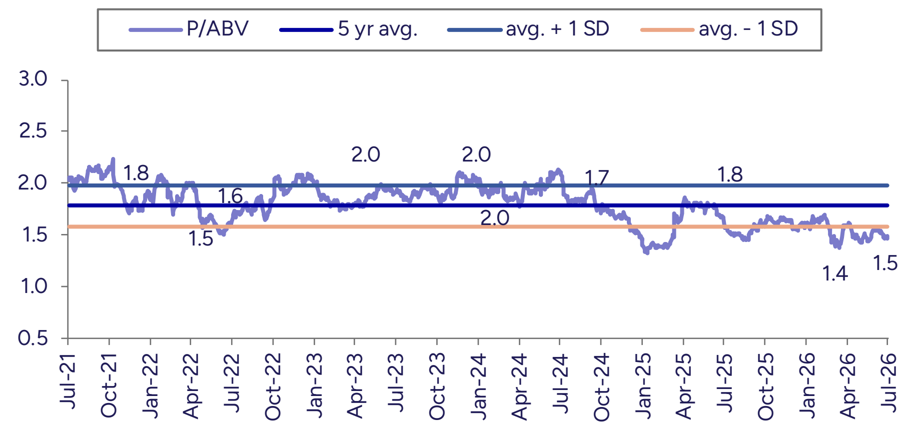
Source: Company, PL

Exhibit 14: SOTP-based TP of Rs1,550 basis Mar'28E core ABV of bank

Particulars	Stake	Rs per share	% of total	Valuation (x)	Basis
Standalone bank	100%	1,384	87.6	1.7	x Mar'28 ABV
Axis Finance	100%	67	4.3	3.2	x Mar'26 ABV
Axis AMC	75%	43	2.7	30.0	x Mar'26 PAT
Max Life	19%	36	2.3	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		**1,579**	**100**		
Holdco discount		29			
SOTP based TP		**1,550**			

Source: Company, PL

Exhibit 15: One-year forward P/ABV trades at 1.5x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Income Statement (INR m)								
Interest earned	304,199	309,539	312,425	310,635	309,702	322,744	327,241	339,856
Interest expended	169,367	173,481	174,320	175,038	172,257	179,878	182,669	193,395
Net Interest Income	**134,832**	**136,059**	**138,105**	**135,598**	**137,446**	**142,866**	**144,572**	**146,461**
Other income	67,219	59,722	67,795	72,581	66,246	62,257	60,226	67,354
Fees	**55,080**	**54,550**	**63,380**	**57,460**	**60,370**	**61,000**	**65,610**	**61,560**
Total Income	202,051	195,781	205,901	208,178	203,691	205,122	204,797	213,815
Operating Expenses	**94,926**	**90,442**	**98,377**	**93,027**	**99,566**	**96,365**	**104,663**	**97,224**
Employees	31,172	29,846	29,615	32,618	31,176	27,718	31,148	30,580
Others	63,754	60,596	68,762	60,409	68,390	68,647	73,516	66,644
Operating profit	107,125	105,339	107,524	115,152	104,125	108,757	100,134	116,591
Core PPoP	**94,985**	**100,169**	**103,104**	**100,032**	**98,245**	**107,497**	**105,524**	**110,801**
Provisions	**22,041**	**21,556**	**13,594**	**39,477**	**35,470**	**22,459**	**35,222**	**22,225**
Profit before tax	85,084	83,782	93,930	75,675	68,655	86,298	64,912	94,366
Taxes	15,908	20,745	22,755	17,614	17,759	21,402	(5,801)	23,226
Net Profit	69,176	63,038	71,175	58,061	50,896	64,896	70,713	71,139
Core PAT	**59,306**	**59,148**	**67,826**	**46,461**	**46,537**	**63,948**	**67,734**	**66,774**
Balance Sheet (INR m)								
Share capital	6,187	6,190	6,195	6,202	6,206	6,210	6,216	6,222
Reserves & surplus	1,650,106	1,716,791	1,791,057	1,852,996	1,905,204	1,973,591	2,049,148	2,124,177
Deposits	10,867,440	10,958,828	11,729,520	11,616,146	12,034,869	12,607,859	13,358,340	13,729,357
Borrowings	1,898,112	1,892,554	1,841,465	1,809,708	1,995,060	2,178,664	2,352,706	2,373,166
Other liabilities	634,736	682,757	731,062	748,025	824,805	755,392	1,102,089	986,741
Total liabilities	**15,056,580**	**15,257,119**	**16,099,299**	**16,033,077**	**16,766,144**	**17,521,715**	**18,868,499**	**19,219,662**
Cash & bank	860,750	844,553	997,321	993,221	832,355	1,001,105	1,049,027	1,308,163
Investments	3,488,552	3,532,834	3,961,418	3,606,406	3,918,508	4,184,295	4,450,328	4,389,551
Advances	9,999,792	10,145,641	10,408,113	10,597,244	11,167,030	11,590,517	12,335,699	12,615,567
Fixed assets	59,265	60,810	62,917	63,724	64,135	63,287	65,494	66,028
Other assets	648,221	673,281	669,530	772,482	784,116	682,511	967,952	840,354
Total assets	**15,056,580**	**15,257,119**	**16,099,299**	**16,033,077**	**16,766,144**	**17,521,715**	**18,868,499**	**19,219,662**
Balance sheet ratios (%)								
Loan growth	11.4	8.8	7.8	8.1	11.7	14.2	18.5	19.0
Deposit growth	13.7	9.1	9.8	9.3	10.7	15.0	13.9	18.2
LDR	92.0	92.6	88.7	91.2	92.8	91.9	92.3	91.9
CASA	40.6	39.5	40.8	40.3	39.8	39.1	39.6	38.0
Capital Adequacy (%)								
CET-1	14.5	14.6	14.7	14.7	14.4	15.0	14.4	14.6
Tier-2	2.1	3.0	3.0	2.2	2.1	2.1	1.6	1.3
CRAR	16.6	17.0	17.1	16.9	16.6	16.6	16.4	16.7
Profitability ratios (%)								
Yield on assets	9.0	8.8	8.3	8.5	8.2	8.0	7.7	8.1
Cost of funds	5.6	5.5	5.2	5.4	5.2	5.1	4.8	5.2
NIM	4.0	3.9	3.7	3.7	3.6	3.5	3.4	3.5
Fees/Assets	1.5	1.5	1.6	1.5	1.5	1.5	1.5	1.4
Cost/Income	47.0	46.2	47.8	44.7	48.9	47.0	51.1	45.5
Opex/avg assets	2.6	2.5	2.4	2.4	2.4	2.4	2.3	2.2
RoA	1.8	1.8	1.7	1.5	1.4	1.4	1.4	1.6
Core RoA	1.7	1.6	1.8	1.2	1.2	1.6	1.5	1.5
RoE	17.1	16.2	15.9	13.2	12.2	12.5	12.7	14.1
Core RoE	15.6	15.1	15.1	11.1	10.7	11.6	12.1	11.4
EPS (INR)	89.5	83.0	85.1	74.9	65.6	74.7	78.7	91.5
BVPS (INR)	535.5	556.7	580.3	599.5	616.0	637.6	661.3	684.8
ABVPS (INR)	-	-	-	-	-	-	-	-
Asset quality ratios (%)								
GNPA	1.4	1.5	1.3	1.6	1.5	1.4	1.2	1.3
NNPA	0.4	0.4	0.3	0.5	0.4	0.4	0.4	0.4
Provision coverage	76.6	76.2	74.6	71.5	70.5	70.0	70.2	69.7
Provision costs	0.9	0.9	0.5	1.5	1.3	0.8	1.2	0.8
Slippage	1.8	2.3	2.0	3.2	2.2	2.3	1.8	1.8
NNPA/Equity	2.2	2.2	2.1	2.7	2.7	2.6	2.3	2.4

Source: Company, PL

Financials

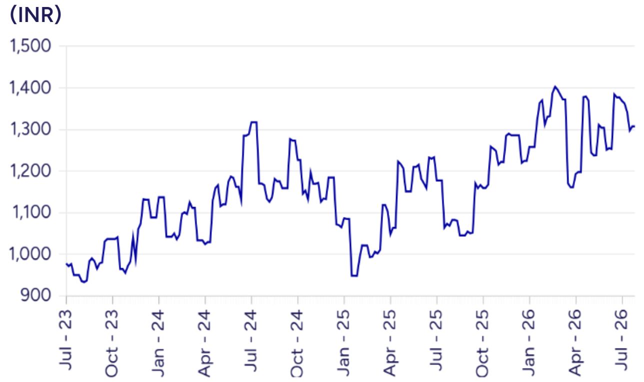
Y/e Mar	FY25	FY26	FY27E	FY28E
Income Statement (INR m)				
Interest earned	1,226,770	1,270,322	1,453,790	1,687,132
Interest expended	683,292	709,842	813,836	948,464
Net Interest Income	**543,478**	**560,480**	**639,954**	**738,668**
Other income	252,571	261,308	294,715	322,920
Fees	**205,451**	**225,365**	**243,433**	**271,494**
Net Total Income	796,049	821,789	934,669	1,061,588
Operating Expenses	**374,999**	**393,621**	**417,775**	**466,219**
Employees	121,928	122,659	132,692	150,484
Others	253,071.5	270,961.6	285,082.6	315,735.2
Operating profit	421,049	428,168	516,894	595,370
Core PPoP	**395,557**	**417,650**	**493,729**	**575,690**
Provisions	**77,584**	**132,628**	**90,781**	**103,695**
Profit before tax	343,466	295,540	426,112	491,675
Taxes	79,731.0	50,974.0	106,163.1	122,918.7
Net Profit	263,735	244,567	319,949	368,756
Core PAT	**244,160**	**235,863**	**302,556**	**353,996**
Growth Ratios (%)				
Loans	7.8	18.5	14.0	13.0
Deposits	9.8	13.9	14.6	12.0
NII	8.9	3.1	14.2	15.4
Fees	12.5	9.7	8.0	11.5
Opex	6.5	5.0	6.1	11.6
Core PPoP	13.4	5.6	18.2	16.6
Provisions	90.9	70.9	(31.6)	14.2
Core PAT	5.4	(3.4)	28.3	17.0
Profitability Ratios (%)				
Yield on IEA	8.3	7.7	7.6	7.8
Cost of funds	5.2	4.8	4.9	5.0
NIM	**3.7**	**3.4**	**3.4**	**3.4**
Cost/Income	47.1	47.9	44.7	43.9
Provision cost	**0.7**	**1.1**	**0.6**	**0.6**
Tax rate	23.2	17.2	24.9	25.0
Core RoA	**1.6**	**1.3**	**1.5**	**1.6**
Core RoE	**15.2**	**12.7**	**14.1**	**14.2**
Du-pont (%)				
Interest income	**7.9**	**7.3**	**7.2**	**7.4**
Interest expenses	**4.4**	**4.1**	**4.1**	**4.2**
NII	**3.5**	**3.2**	**3.2**	**3.3**
Other income	1.6	1.5	1.5	1.4
Fees/avg assets	**1.5**	**1.4**	**1.4**	**1.3**
Total income	**5.2**	**4.7**	**4.7**	**4.7**
Opex/avg assets	**2.4**	**2.3**	**2.1**	**2.1**
Staff cost	0.8	0.7	0.7	0.7
Other opex	1.6	1.5	1.4	1.4
PPOP	**2.7**	**2.4**	**2.6**	**2.6**
Core PPoP/avg assets	**2.6**	**2.4**	**2.5**	**2.5**
Provisions	0.5	0.8	0.5	0.5
PBT	**2.2**	**1.7**	**2.1**	**2.2**
Tax	0.5	0.3	0.5	0.5
RoA	**1.7**	**1.4**	**1.6**	**1.6**
RoE	**15.9**	**12.7**	**14.4**	**14.4**

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
Balance Sheet (INR m)				
Equity	1,797,251	2,055,364	2,376,089	2,740,686
Share capital	6,195	6,216	6,222	6,222
Deposits	11,729,520	13,358,340	15,307,624	17,142,168
Borrowings	1,841,465	2,352,706	2,538,146	2,955,916
Other Liabilities	731,062	1,102,089	1,078,238	1,213,566
Total liabilities	**16,099,299**	**18,868,499**	**21,300,097**	**24,052,337**
Cash with RBI	736,384	786,274	631,669	697,245
Balance with banks	260,937	262,753	612,432	716,459
Investments	3,961,418	4,450,328	4,974,978	5,571,205
Advances	10,408,113	12,335,699	14,067,706	15,890,790
Fixed assets	62,917	65,494	68,028	70,790
Other assets	669,530	967,952	945,284	1,105,848
Total assets	**16,099,299**	**18,868,499**	**21,300,097**	**24,052,337**
Balance sheet ratios (%)				
LDR	88.7	92.3	92.0	93.0
CASA	40.8	39.6	39.2	39.1
Inv/NDTL	27.7	26.5	26.3	26.1
Borr/NDTL	12.9	14.0	13.4	13.9
Assets/equity (x)	9.0	9.2	9.0	8.8
RWA/Loans	110.9	110.1	110.1	111.1
RWA/Total assets	71.7	72.0	72.7	73.4
Capital ratios (%)				
CRAR	17.1	16.4	16.9	17.1
CET-1	14.7	14.3	14.5	14.6
AT-1	0.4	0.4	0.4	0.4
Tier-2	2.0	1.6	2.0	2.1
Asset quality ratios (%)				
GNPA (INR mn)	144,901	160,837	193,256	229,488
NNPA (INR mn)	36,855	47,896	57,977	68,846
GNPA	1.3	1.3	1.4	1.4
NNPA	0.3	0.4	0.4	0.4
PCR	74.6	70.2	70.0	70.0
Slippage	2.0	2.4	2.0	2.0
NNPA / Equity	2.1	2.3	2.4	2.5
Per share (INR)				
EPS	85.1	78.7	102.9	118.5
DPS	1.0	1.0	1.3	1.5
BVPS	580.3	661.3	763.8	881.0
ABVPS	568.4	645.9	744.9	858.5
Core BVPS	559.3	640.3	742.8	860.0
Core ABVPS	547.4	624.9	723.9	837.5
Valuation (x)				
Price (INR)	1,133.2	1,225.0	1,329.0	1,329.0
P/E	13.3	15.6	12.9	11.2
P/BV	2.0	1.9	1.7	1.5
P/ABV	2.0	1.9	1.8	1.5
P/core BV	1.8	1.7	1.6	1.4
P/core ABV	1.9	1.7	1.6	1.4

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Jul-26	BUY	1600	1341
2	26-Apr-26	BUY	1600	1366
3	10-Apr-26	BUY	1500	1319
4	19-Feb-26	BUY	1500	1376
5	27-Jan-26	BUY	1500	1258
6	08-Jan-26	BUY	1425	1296
7	16-Oct-25	BUY	1425	1170
8	07-Oct-25	BUY	1375	1187
9	18-Jul-25	BUY	1375	1161
10	07-Jul-25	BUY	1500	1175

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Axis Bank	BUY	1600	1341
2	Bank of Baroda	Accumulate	290	248
3	Canara Bank	Accumulate	150	125
4	Canara Robeco Asset Management Company	HOLD	280	252
5	City Union Bank	BUY	310	228
6	DCB Bank	BUY	155	185
7	Federal Bank	Accumulate	300	332
8	HDFC Asset Management Company	BUY	3020	2773
9	HDFC Bank	BUY	1100	829
10	ICICI Bank	BUY	1825	1415
11	ICICI Prudential Asset Management Company	BUY	3550	3206
12	Indian Bank	BUY	1000	843
13	IndusInd Bank	Accumulate	960	1022
14	Karur Vysya Bank	BUY	345	314
15	Kotak Mahindra Bank	BUY	480	382
16	Nippon Life India Asset Management	BUY	1050	1208
17	Prudent Corporate Advisory Services	Accumulate	2875	3021
18	State Bank of India	BUY	1200	1038
19	Union Bank of India	Accumulate	200	161
20	UTI Asset Management Company	HOLD	975	992

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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