

# Axis Bank (AXSB IN)

**Q4FY26 Result Update**

April 26, 2026

 Estimate Change |  Target |  Reco.

## Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	1,600		1,500	
NII (INR. mn)	645,027	734,793	650,228	739,903
% Chng.	(0.8)	(0.7)		
Op. Profit (INR mn)	501,793	576,714	510,436	587,359
% Chng.	(1.7)	(1.8)		
EPS (INR)	98.8	115.0	100.8	117.2
% Chng.	(2.0)	(1.9)		

## 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	76,664 / 23,898
Market Cap	INR 4,246 bn / \$ 45,044 mn
Shares Outstanding	3108.44 mn
3M Avg. Daily Value	INR 10,465.15 mn

## Shareholding Pattern (%)

Promoters	8.14
FII	42.05
Mutual Funds	34.11
Domestic Institution	9.25
Public & Others	6.45
Promoters Pledge (INR bn)	-

## Stock Performance (%)

	1M	3M	6M	12M
Absolute	14.5	8.6	10.0	13.2
Relative	10.6	15.5	20.8	17.8

## Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
NII (INR mn)	543,478	560,480	645,027	734,793
NIM (%)	3.7	3.4	3.4	3.4
Core PPOP (INR mn)	395,557	411,300	481,113	556,034
PAT (INR mn)	263,735	244,567	307,241	357,478
Core PAT (INR mn)	244,160	230,607	291,731	341,968
EPS (INR)	85.1	78.7	98.9	115.0
Gr. (%)	5.7	(7.6)	25.6	16.4
DPS (INR)	1.0	1.0	1.3	1.5
Yield (%)	0.1	0.1	0.1	0.1
RoAE (%)	15.9	12.7	13.9	14.1
Core RoAE (%)	15.2	12.4	13.6	13.8
RoAA (%)	1.7	1.4	1.5	1.6
Core RoAA (%)	1.6	1.3	1.5	1.5
P/BV (x)	1.7	1.6	1.8	1.6
P/ABV (x)	1.8	1.7	1.8	1.6
PE (x)	14.4	12.4	13.8	11.9
CAR (%)	17.1	16.8	16.8	16.8

## Deposit growth a key to achieve targeted loan growth

### Quick Pointers

- Mixed quarter; NII/opex miss was offset by fees/provisions
- Targeted retail share is 70% (66.5% as of Mar'26)
- We trim core PAT for FY27/28E by avg. 2%

AXSB saw a mixed quarter as better fees and asset quality was offset by miss on NII and opex. NII growth at 1.2% QoQ was lower to loan growth of 6.4% led by back-ended corporate accretion. Due to tax benefit of INR 21.9bn, buffer provisions of INR 20bn were created. We raise loan growth for FY27/28E by 100bps each to 13%. However, with CET-1 of ~15%, LDR of 92% and LCR of 117%, deposit growth would be a key driver to loan growth. We trim NIM for FY27/28E by avg. 10bps that would be offset by better loan growth/fees/opex; cut core PAT by avg. 2%. We keep multiple at 1.7x but as we roll forward to FY28 core ABV, raise TP to INR 1,600 from INR 1,500. Retain 'BUY'.

**Mixed quarter; NII and opex miss offset by better fees and asset quality:** NII was lower at INR 144.6bn (PLe INR 148.5bn) due to miss on NIM (calc.) that was 3.48% (PLe 3.59%); reported NIM was down 2bps QoQ to 3.62%. Loan and deposit growth were in-line at 18.5%/13.9% YoY. LDR was steady QoQ at 92%. CASA ratio increased to 39.6% (39.1% in Q3'26). Other income was lower at INR 60.2bn (PLe INR 65.3bn) due to MTM loss. Fee was 2.4% higher at INR 65.6bn. Opex at INR 104.7bn was a 4.1% miss due to higher staff cost and other opex. Core PPOP at INR 105.5bn was 5.8% below PLe; PPOP was INR 100.1bn. Asset quality improved; GNPA was lower 1.23% (PLe 1.36%) due to lesser gross slippages at INR 47.1bn (PLe INR 57bn). Excl. one-time impact, provisions at INR 15.3bn were lower (PLe INR 21.9bn). At normal tax rate of 25%, core PAT was largely in-line at INR 67.7bn. PAT was INR 70.7bn.

**Loan growth was led by corporate:** Credit growth was healthy at 6.4% QoQ mainly led by corporate (+10%), agri (+10%), SME (+5.7%) and SBB (+6.9%). NII growth at 1.2% QoQ was lower, likely due to back-ended corporate loan accretion. Target is to reach retail/wholesale mix of 70:30, with wholesale growth driving near-term NII optimization and medium-term rebalancing toward retail. We raise loan growth by 100bps for FY27/28E to 13%. However, with CET-1 at ~15%, LDR at 92% and LCR at 117%, deposit growth is a key to achieve targeted loan growth.

**Opex disappoints; additional provision buffer created:** Staff cost increase was led by rate movement driven provisioning while other opex was higher led by volume linked expenses. Provision included INR 20bn one-time std. asset provision as tax depreciation of INR 21.93bn was allowed which pertained to intangibles of INR 87.14bn (amortized fully in FY23) related to acquisition of Citi's consumer business.

### Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	% Var.	Q4'25A	YoY gr. (%)
NII (INR mn)	1,48,459	1,44,572	-2.6	1,38,105	4.7
Margin (%)	3.6	3.4	-11 bps	3.7	-26 bps
Core PPOP (INR mn)	1,12,012	1,05,524	-5.8	1,03,104	2.3
Core PAT (INR mn)	67,561	67,734	0.3	67,826	-0.1

Source: Company, PL

Gaurav Jani  
gauravjani@plindia.com | +91-22-66322235

Adarsh Shetty  
adarshshetty@plindia.com | +91-22-66322257

Tarang Nandwana  
tarangnandwana@plind | +91-22-66322222

## Q4FY26 Concall Highlights

### Balance sheet

- Bank continues to drive high-quality, diversified growth across wholesale, SME and retail segments through an ecosystem-led model, data-driven credit decisions and disciplined risk management. Growth remains quality led and sustainable with risk pricing filters and RAROC discipline maintained.
- ~91% of corporate book is rated A- and above with 86% of incremental sanctions in Q4FY26 being to corporates rated A- and above.
- The Bank is building an AI-led, customer-centric model to transform customer journeys, employee productivity and core processes through digitization and simplified interactions. Focus remains on responsible and secure AI adoption to enhance experience, outcomes and support sustainable growth.
- Axis Bank continues to deliver faster than the industry growth in medium to long term deposits. NTB franchise continues to scale with a sustained improvement in quality.
- The board approved raising of funds upto INR 350bn through issuance of debt securities and INR 200bn through issuance of equity shares. Management confirmed that the capital raise resolution is an enabling one and bank does not need equity capital at present. Bank may opportunistically evaluate issuing Tier-2 and A-1 instruments based on market conditions.
- Average LCR during Q4FY26 was ~ 117%

### Profit & loss

- The Bank maintained its NIM guidance at 3.8% that is expected to materialise 15–18 months following the last rate cut; 25 bps repo rate cut has been fully transmitted which constitutes around 61% of entire loan book; bank does not expect any further rate cuts in the upcoming period.
- Target is to have a retail-wholesale mix of 70:30, with near-term NII optimization via wholesale growth and medium-term rebalancing toward retail.
- Retail banking fee which constitutes 74% of total fees grew by 11% QoQ. The Bank expects fee income to grow in line with business growth; earnings volatility led to lower trading income during Q4FY26.
- Employee cost increase of 12% QoQ led by rate movement driven provisioning and one-time reversal in accruals no longer required totalling to INR 2.82bn; workforce declined by 3% YoY driven by technology-led efficiency gains.
- Other operating expenses were up 7% QoQ largely driven by volume-linked expenses partially offset by PSLC cost reduction; technology expense constituted 5% of total opex.
- Tax expense declined by INR 21.9bn in Q4 FY26, driven by the allowance of tax depreciation on intangibles related to the Citi India consumer business acquisition following conclusion of tax assessments.

### Asset quality

- During Q4 FY26, Bank voluntarily strengthened its std. asset provisioning by creating a one-time prudent provision of INR 20bn on identified pool of loans across customer segments, reflecting a conservative assessment of heightened macroeconomic and geopolitical risks, with no deterioration in asset quality
- Utilisation of buffer provisions would be governed by Board-approved stress-testing framework

## Exhibit 1 : PAT aided by tax reversals ; other income decreased due to MTM losses

Financial Statement (Rs m)	Q4FY26	Q4FY25	YoY gr. (%)	Q4FY26E	% Var.	Q3FY26	QoQ gr. (%)
Interest Income	3,27,241	3,12,425	4.7	3,34,828	(2.3)	3,22,744	1.4
Interest Expenses	1,82,669	1,74,320	4.8	1,86,369	(2.0)	1,79,878	1.6
<b>Net interest income (NII)</b>	<b>1,44,572</b>	<b>1,38,105</b>	<b>4.7</b>	<b>1,48,459</b>	<b>(2.6)</b>	<b>1,42,866</b>	<b>1.2</b>
Other Income	60,226	67,795	(11.2)	65,310	(7.8)	62,257	(3.3)
-Fee Income	65,610	63,380	3.5	64,050	2.4	61,000	7.6
-Other non interest income	-5,385	4,415	(222.0)	1,260	(527.3)	1,257	(528.5)
<b>Total income</b>	<b>2,04,797</b>	<b>2,05,901</b>	<b>(0.5)</b>	<b>2,13,769</b>	<b>(4.2)</b>	<b>2,05,122</b>	<b>(0.2)</b>
Operating expenses	1,04,663	98,377	6.4	1,00,497	4.1	96,365	8.6
-Staff expenses	31,148	29,615	5.2	29,104	7.0	27,718	12.4
-Other expenses	73,516	68,762	6.9	71,393	3.0	68,647	7.1
<b>Operating profit</b>	<b>1,00,134</b>	<b>1,07,524</b>	<b>(6.9)</b>	<b>1,13,272</b>	<b>(11.6)</b>	<b>1,08,757</b>	<b>(7.9)</b>
<b>Core operating profit</b>	<b>1,05,524</b>	<b>1,03,104</b>	<b>2.3</b>	<b>1,12,012</b>	<b>(5.8)</b>	<b>1,07,497</b>	<b>(1.8)</b>
Total provisions	35,222	13,594	159.1	21,931	60.6	22,459	56.8
<b>Profit before tax</b>	<b>64,912</b>	<b>93,930</b>	<b>(30.9)</b>	<b>91,341</b>	<b>(28.9)</b>	<b>86,298</b>	<b>(24.8)</b>
Tax	-5,801	22,755	(125.5)	22,835	(125.4)	21,402	(127.1)
<b>Profit after tax</b>	<b>70,713</b>	<b>71,175</b>	<b>(0.6)</b>	<b>68,506</b>	<b>3.2</b>	<b>64,896</b>	<b>9.0</b>
<b>Balance sheet (Rs m)</b>							
Deposits	1,33,58,340	1,17,29,520	13.9	1,33,58,000	0.0	1,26,07,859	6.0
Advances	1,23,35,699	1,04,08,113	18.5	1,23,19,759	0.1	1,15,90,517	6.4
<b>Ratios (%)</b>							
<b>Profitability ratios</b>							
NIM	3.5	3.7	(26.5)	3.6	(11.1)	3.7	(16.8)
RoaA	1.6	1.8	(22.7)	1.6	3.2	1.6	3.4
RoaE	14.7	17.2	(253.0)	14.3	42.9	14.0	66.3
<b>Asset Quality</b>							
Gross NPL	1,60,837	1,44,901	11.0	1,76,415	(8.8)	1,71,668	(6.3)
Net NPL	47,896	36,855	30.0	52,925	(9.5)	51,543	(7.1)
Gross NPL ratio	1.23	1.28	(5.0)	1.36	(13.4)	1.41	(17.9)
Net NPL ratio	0.37	0.33	4.0	0.41	(4.5)	0.43	(5.9)
Coverage ratio (Calc)	70	75	(434.5)	70	22.1	70	24.6
<b>Business &amp; Other Ratios</b>							
Low-cost deposit mix	39.6	40.8	(117)	39.0	58	39.1	49
Cost-income ratio	51.1	47.8	333	47.0	409	47.0	413
Non int. inc / total income	29.4	32.9	(352)	30.6	(114)	30.4	(94)
Credit deposit ratio	92.3	88.7	361	92.2	12	91.9	41
CAR	16.4	17.1	(65)			16.6	(13)
Tier-I	14.4	14.7	(29)			14.5	(12)

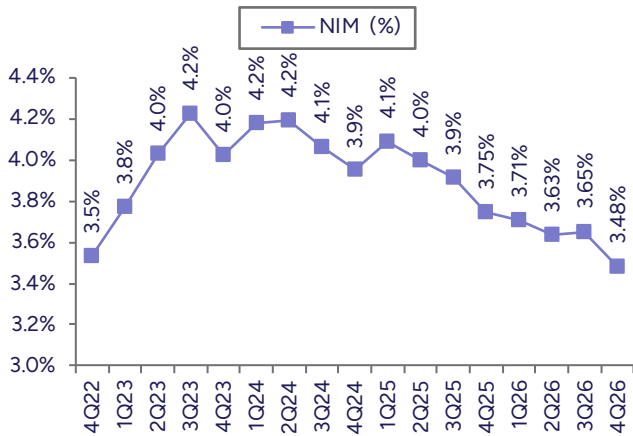
Source: Company, PL

Exhibit 2 : Loan growth led by corporate and SME

Segmental Mix (Rs m)	Q4FY26	Q4FY25	YoY gr. (%)	Q3FY26	QoQ gr. (%)
Large & mid-corporate	41,29,000	29,93,930	37.9	37,51,000	10.1
SME Advances	14,72,000	11,85,210	24.2	13,93,000	5.7
Retail	67,35,000	62,28,970	8.1	64,46,000	4.5
- Housing Loans	26,06,800	24,24,600	7.5	25,39,440	2.7
- Personal loans	8,20,460	7,73,320	6.1	8,01,300	2.4
- Auto loans	5,96,030	5,83,190	2.2	5,81,590	2.5

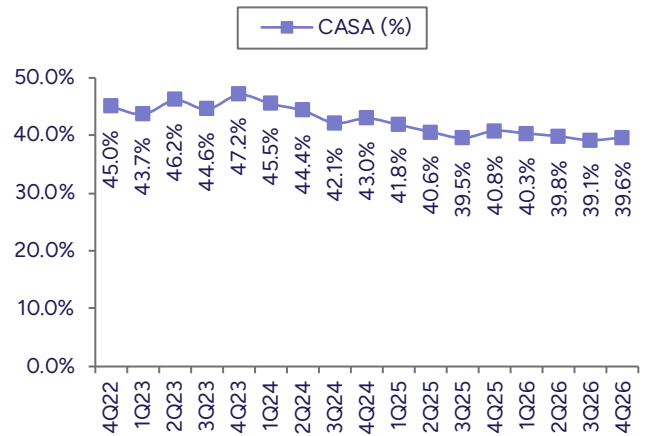
Source: Company, PL

Exhibit 3 : NIMs reduced to 3.48%



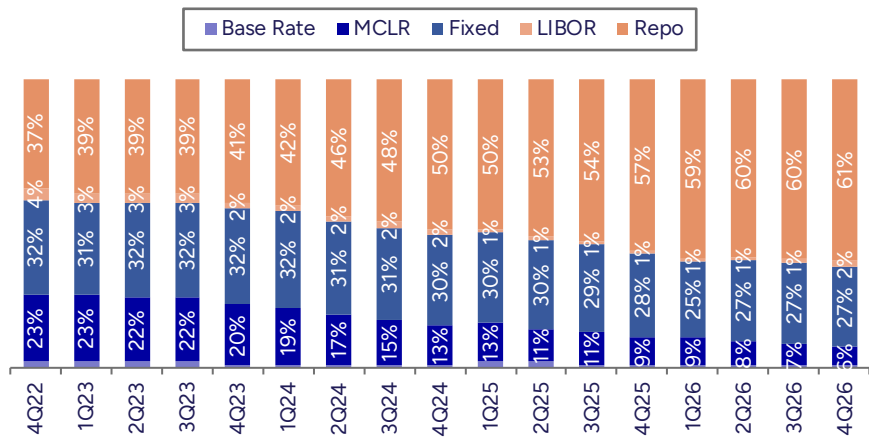
Source: Company, PL

Exhibit 4 : CASA increased to 39.6%



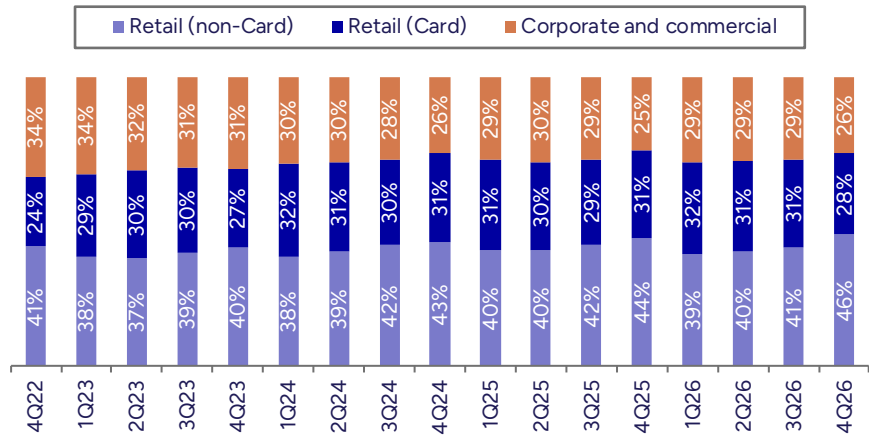
Source: Company, PL

Exhibit 5 : Repo linked loans increase to 61%



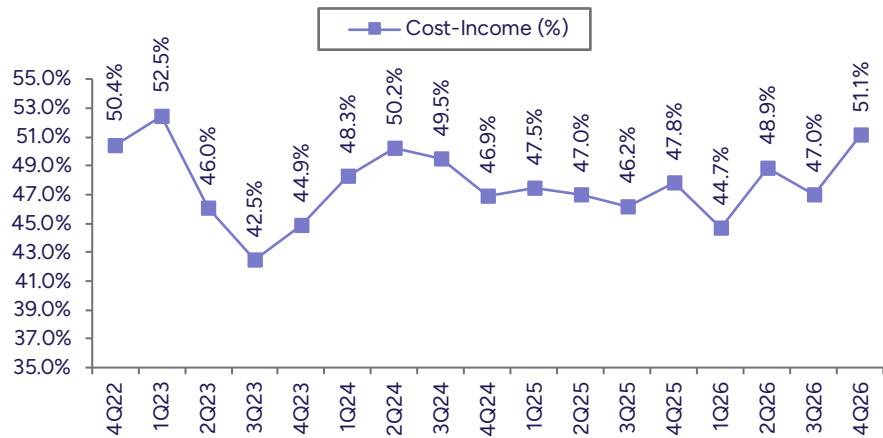
Source: Company, PL

Exhibit 6 : Retail fees constitute 74% majorly from cards and payments



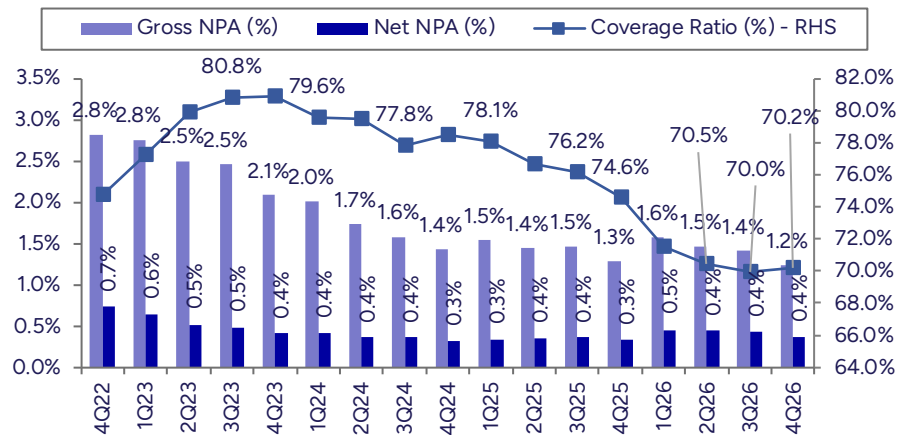
Source: Company, PL

Exhibit 7 : C/I increased to 51.1% due to lower non-interest income



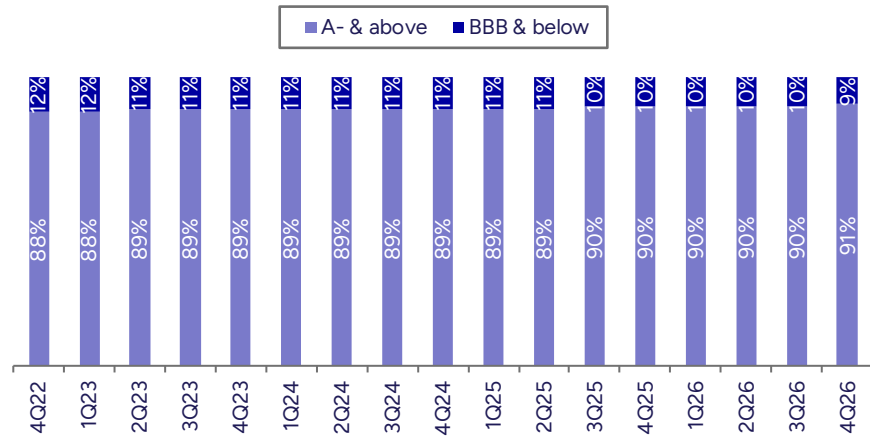
Source: Company, PL

Exhibit 8 : Asset quality steady; PCR slightly increased to 70.2%



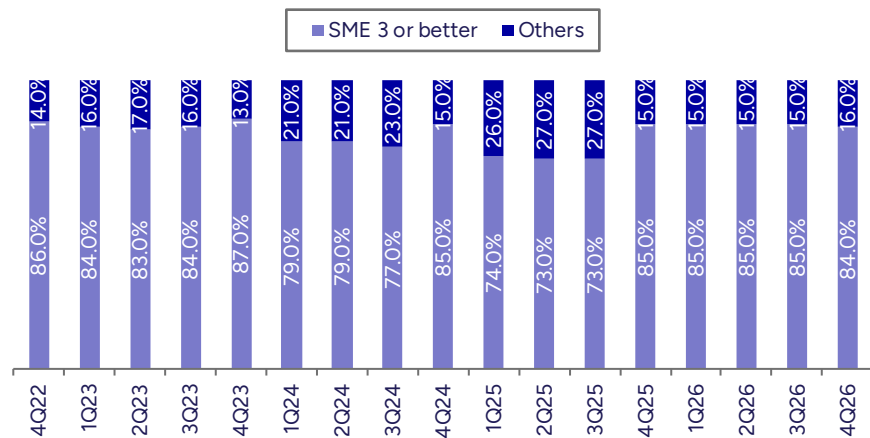
Source: Company, PL

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



Source: Company, PL

Exhibit 10 : SME rating mix at 84:16



Source: Company, PL

Exhibit 11 : Annualized slippages decreased to 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	37710	39900	32540	37150	34710	47930	44430	54320	48050	82000	56960	60070	47090
Recoveries+ Up gradations	26990	23050	19850	25980	21550	15030	20690	19150	27900	21470	28870	28720	26960
Write-offs	24288	21310	26710	19810	20810	22060	31190	31330	33752	27785	32659	32760	30961
Annualized Slippages (%)	2.13	1.89	1.54	1.76	1.64	1.99	1.84	2.25	1.99	3.15	2.19	2.31	1.81
<b>BB &amp; Below book</b>	<b>34,780</b>	<b>36,450</b>	<b>34,340</b>	<b>28,840</b>	<b>29,780</b>	<b>31,690</b>	<b>34,340</b>	<b>29,210</b>	<b>25,480</b>	<b>24,560</b>	<b>21,820</b>	<b>19,160</b>	<b>17,740</b>
NFB O/s to BB & Below exposures	13,710	13,850	13,260	14,820	14,530	14,130	13,020	13,520	10,560	10,500	8,090	7,020	7,060
Investments O/s in BB & Below rating	6,730	7,870	6,560	6,680	7,000	11,100	10,960	10,960	9,320	9,110	10,300	9,020	8,030
Total BB & below book	44,728	46,536	43,328	40,272	40,535	45,536	46,656	42,952	36,288	35,336	33,374	29,216	27,249
% of customer assets	1.29%	1.28%	1.26%	1.40%	1.38%	1.44%	1.36%	1.47%	1.42%	1.44%	1.47%	1.47%	1.48%
Provisions held	10,492	11,634	10,832	10,068	10,775	11,384	11,664	10,738	9,072	8,834	6,836	5,984	5,581
<b>Total Restructured Dispensation</b>	<b>20470</b>	<b>19070</b>	<b>17560</b>	<b>16410</b>	<b>15280</b>	<b>14090</b>	<b>13200</b>	<b>12670</b>	<b>12090</b>	<b>11480</b>	<b>10710</b>	<b>10300</b>	<b>9580</b>
% of loans	0.22%	0.21%	0.19%	0.16%	0.16%	0.13%	0.12%	0.12%	0.11%	0.10%	0.09%	0.08%	0.07%

Source: Company, PL

Exhibit 12 : Return ratios to remain close to 14% 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	3.2
Other Inc. from operations	1.4	1.3	1.6	1.6	1.5	1.5	1.4
<b>Total income</b>	<b>4.5</b>	<b>4.7</b>	<b>5.2</b>	<b>5.2</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>
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	1.5	1.5
<b>Operating profit</b>	<b>2.3</b>	<b>2.6</b>	<b>2.7</b>	<b>2.7</b>	<b>2.4</b>	<b>2.5</b>	<b>2.6</b>
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	0.4
<b>RoAA</b>	<b>1.2</b>	<b>1.8</b>	<b>1.8</b>	<b>1.7</b>	<b>1.4</b>	<b>1.5</b>	<b>1.6</b>
<b>RoAE</b>	<b>12.0</b>	<b>18.2</b>	<b>18.0</b>	<b>15.9</b>	<b>12.7</b>	<b>13.9</b>	<b>14.1</b>

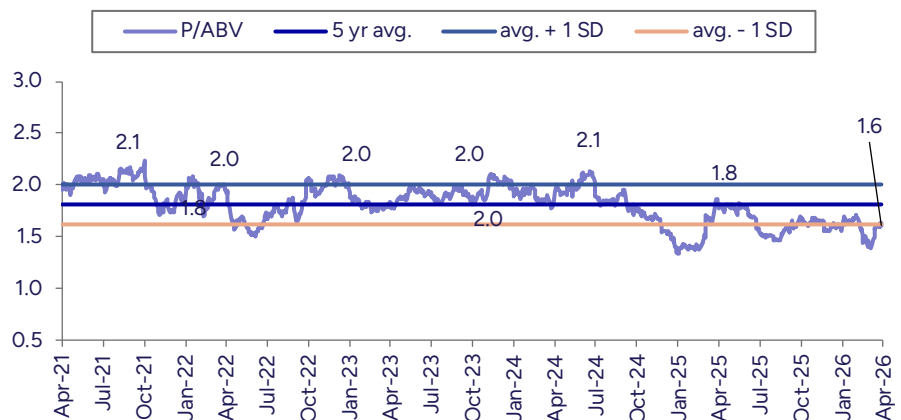
Source: Company, PL

Exhibit 13 : SOTP-based TP of Rs1,600 basis Mar'28E core ABV of bank

Particulars	Stake	Rs per share	% of total	Valuation (x)	Basis
Standalone bank	100%	1,434	88.0	1.7	x Mar'28 ABV
Axis Finance	100%	67	4.1	3.2	x Mar'26 ABV
Axis AMC	75%	43	2.7	30.0	x Mar'26 PAT
Max Life	19%	36	2.2	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
<b>Total</b>		<b>1,629</b>	<b>100</b>		
Holdco discount		29			
<b>SOTP based TP</b>		<b>1,600</b>			

Source: Company, PL

Exhibit 14 : One-year forward P/ABV trades at 1.6x



Source: Company, PL

## Quarterly Financials

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
<b>Income Statement (INR m)</b>								
Interest earned	300,607	304,199	309,539	312,425	310,635	309,702	322,744	327,241
Interest expended	166,125	169,367	173,481	174,320	175,038	172,257	179,878	182,669
<b>Net Interest Income</b>	<b>134,482</b>	<b>134,832</b>	<b>136,059</b>	<b>138,105</b>	<b>135,598</b>	<b>137,446</b>	<b>142,866</b>	<b>144,572</b>
Other income	57,835	67,219	59,722	67,795	72,581	66,246	62,257	60,226
<b>Fees</b>	<b>52,040</b>	<b>55,080</b>	<b>54,550</b>	<b>63,380</b>	<b>57,460</b>	<b>60,370</b>	<b>61,000</b>	<b>65,610</b>
Total Income	192,317	202,051	195,781	205,901	208,178	203,691	205,122	204,797
<b>Operating Expenses</b>	<b>91,255</b>	<b>94,926</b>	<b>90,442</b>	<b>98,377</b>	<b>93,027</b>	<b>99,566</b>	<b>96,365</b>	<b>104,663</b>
Employees	31,295	31,172	29,846	29,615	32,618	31,176	27,718	31,148
Others	59,960	63,754	60,596	68,762	60,409	68,390	68,647	73,516
Operating profit	101,062	107,125	105,339	107,524	115,152	104,125	108,757	100,134
<b>Core PPOp</b>	<b>95,268</b>	<b>94,985</b>	<b>100,169</b>	<b>103,104</b>	<b>100,032</b>	<b>98,245</b>	<b>107,497</b>	<b>105,524</b>
<b>Provisions</b>	<b>20,393</b>	<b>22,041</b>	<b>21,556</b>	<b>13,594</b>	<b>39,477</b>	<b>35,470</b>	<b>22,459</b>	<b>35,222</b>
Profit before tax	80,670	85,084	83,782	93,930	75,675	68,655	86,298	64,912
Taxes	20,323	15,908	20,745	22,755	17,614	17,759	21,402	(5,801)
Net Profit	60,346	69,176	63,038	71,175	58,061	50,896	64,896	70,713
<b>Core PAT</b>	<b>56,011</b>	<b>59,306</b>	<b>59,148</b>	<b>67,826</b>	<b>46,461</b>	<b>46,537</b>	<b>63,948</b>	<b>67,734</b>
<b>Balance Sheet (INR m)</b>								
Share capital	6,181	6,187	6,190	6,195	6,202	6,206	6,210	6,216
Reserves & surplus	1,580,132	1,650,106	1,716,791	1,791,057	1,852,996	1,905,204	1,973,591	2,049,148
Deposits	10,624,837	10,867,440	10,958,828	11,729,520	11,616,146	12,034,869	12,607,859	13,358,340
Borrowings	1,898,979	1,898,112	1,892,554	1,841,465	1,809,708	1,995,060	2,178,664	2,352,706
Other liabilities	571,505	634,736	682,757	731,062	748,025	824,805	755,392	1,102,089
<b>Total liabilities</b>	<b>14,681,633</b>	<b>15,056,580</b>	<b>15,257,119</b>	<b>16,099,299</b>	<b>16,033,077</b>	<b>16,766,144</b>	<b>17,521,715</b>	<b>18,868,499</b>
Cash & bank	1,075,457	860,750	844,553	997,321	993,221	832,355	1,001,105	1,049,027
Investments	3,168,514	3,488,552	3,532,834	3,961,418	3,606,406	3,918,508	4,184,295	4,450,328
Advances	9,800,915	9,999,792	10,145,641	10,408,113	10,597,244	11,167,030	11,590,517	12,335,699
Fixed assets	58,474	59,265	60,810	62,917	63,724	64,135	63,287	65,494
Other assets	578,275	648,221	673,281	669,530	772,482	784,116	682,511	967,952
<b>Total assets</b>	<b>14,681,633</b>	<b>15,056,580</b>	<b>15,257,119</b>	<b>16,099,299</b>	<b>16,033,077</b>	<b>16,766,144</b>	<b>17,521,715</b>	<b>18,868,499</b>
<b>Balance sheet ratios (%)</b>								
Loan growth	14.2	11.4	8.8	7.8	8.1	11.7	14.2	18.5
Deposit growth	12.8	13.7	9.1	9.8	9.3	10.7	15.0	13.9
LDR	92.2	92.0	92.6	88.7	91.2	92.8	91.9	92.3
CASA	41.8	40.6	39.5	40.8	40.3	39.8	39.1	39.6
<b>Capital Adequacy (%)</b>								
CET-1	14.1	14.5	14.6	14.7	14.7	14.4	15.0	14.4
Tier-2	2.6	2.1	3.0	3.0	2.2	2.1	2.1	2.0
CRAR	16.7	16.6	17.0	17.1	16.9	16.6	16.6	16.4
<b>Profitability ratios (%)</b>								
Yield on assets	9.1	9.0	8.8	8.3	8.5	8.2	8.0	7.7
Cost of funds	5.6	5.6	5.5	5.2	5.4	5.2	5.1	4.8
NIM	4.1	4.0	3.9	3.7	3.7	3.6	3.5	3.4
Fees/Assets	1.5	1.5	1.5	1.6	1.5	1.5	1.5	1.5
Cost/Income	47.5	47.0	46.2	47.8	44.7	48.9	47.0	51.1
Opex/avg assets	2.6	2.6	2.5	2.4	2.4	2.4	2.4	2.3
RoA	1.7	1.8	1.8	1.7	1.5	1.4	1.4	1.4
Core RoA	1.6	1.7	1.6	1.8	1.2	1.2	1.6	1.5
RoE	16.3	17.1	16.2	15.9	13.2	12.2	12.5	12.7
Core RoE	15.8	15.6	15.1	15.1	11.1	10.7	11.6	12.1
EPS (INR)	78.1	89.5	83.0	85.1	74.9	65.6	74.7	78.7
BVPS (INR)	513.3	535.5	556.7	580.3	599.5	616.0	637.6	661.3
ABVPS (INR)	-	-	-	-	-	-	-	-
<b>Asset quality ratios (%)</b>								
GNPA	1.5	1.4	1.5	1.3	1.6	1.5	1.4	1.2
NNPA	0.3	0.4	0.4	0.3	0.5	0.4	0.4	0.4
Provision coverage	78.1	76.6	76.2	74.6	71.5	70.5	70.0	70.2
Provision costs	0.9	0.9	0.9	0.5	1.5	1.3	0.8	1.2
Slippage	2.0	1.8	2.3	2.0	3.2	2.2	2.3	1.8
NNPA/Equity	2.2	2.2	2.2	2.1	2.7	2.7	2.6	2.3

Source: Company, PL

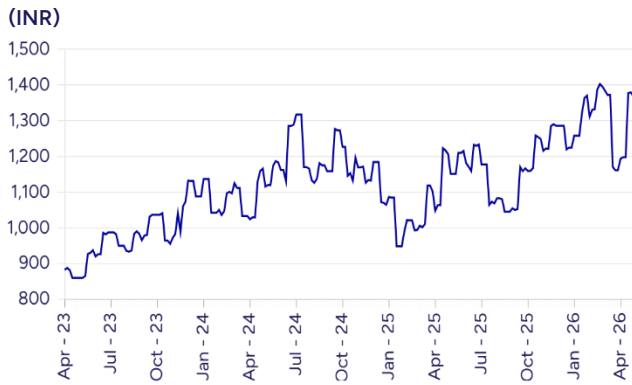
## Financials

Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Income Statement (INR m)</b>				
Interest earned	1,226,770	1,270,322	1,423,754	1,624,320
Interest expended	683,292	709,842	778,727	889,527
<b>Net Interest Income</b>	<b>543,478</b>	<b>560,480</b>	<b>645,027</b>	<b>734,793</b>
Other income	252,571	261,309	293,732	326,767
<b>Fees</b>	<b>205,451</b>	<b>219,963</b>	<b>244,990</b>	<b>274,433</b>
<i>Net Total Income</i>	<i>796,048.8</i>	<i>821,789.0</i>	<i>938,758.9</i>	<i>1,061,560.3</i>
<b>Operating Expenses</b>	<b>374,999</b>	<b>393,621</b>	<b>436,966</b>	<b>484,846</b>
Employees	121,928	122,659	136,825	152,717
Others	253,071.5	270,962.0	300,140.8	332,129.6
Operating profit	421,049	428,168	501,793	576,714
<b>Core PPOP</b>	<b>395,557</b>	<b>411,300</b>	<b>481,113</b>	<b>556,034</b>
<b>Provisions</b>	<b>77,584</b>	<b>132,628</b>	<b>92,139</b>	<b>100,077</b>
Profit before tax	343,466	295,540	409,654	476,637
Taxes	79,731.0	50,974.0	102,413.6	119,159.3
Net Profit	263,735	244,567	307,241	357,478
<b>Core PAT</b>	<b>244,160</b>	<b>230,607</b>	<b>291,731</b>	<b>341,968</b>
<b>Growth Ratios (%)</b>				
Loans	7.8	18.5	13.0	13.0
Deposits	9.8	13.9	13.4	13.0
NII	8.9	3.1	15.1	13.9
Fees	12.5	7.1	11.4	12.0
Opex	6.5	5.0	11.0	11.0
Core PPOP	13.4	4.0	17.0	15.6
Provisions	90.9	70.9	(30.5)	8.6
Core PAT	5.4	(5.6)	26.5	17.2
<b>Profitability Ratios (%)</b>				
Yield on IEA	8.3	7.7	7.5	7.6
Cost of funds	5.2	4.8	4.7	4.7
<b>NIM</b>	<b>3.7</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>
Cost/Income	47.1	47.9	46.5	45.7
<b>Provision cost</b>	<b>0.7</b>	<b>1.1</b>	<b>0.7</b>	<b>0.6</b>
Tax rate	23.2	17.2	25.0	25.0
<b>Core RoA</b>	<b>1.6</b>	<b>1.3</b>	<b>1.5</b>	<b>1.5</b>
<b>Core RoE</b>	<b>15.2</b>	<b>12.4</b>	<b>13.6</b>	<b>13.8</b>
<b>Du-pont (%)</b>				
Interest income	7.9	7.3	7.1	7.2
Interest expenses	4.4	4.1	3.9	3.9
NII	3.5	3.2	3.2	3.2
Other income	1.6	1.5	1.5	1.4
<b>Fees/avg assets</b>	<b>1.5</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>
<b>Total income</b>	<b>5.2</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>
<b>Opex/avg assets</b>	<b>2.4</b>	<b>2.3</b>	<b>2.2</b>	<b>2.1</b>
Staff cost	0.8	0.7	0.7	0.7
Other opex	1.6	1.5	1.5	1.5
<b>PPOP</b>	<b>2.7</b>	<b>2.4</b>	<b>2.5</b>	<b>2.6</b>
<b>Core PPOP/avg assets</b>	<b>2.6</b>	<b>2.4</b>	<b>2.4</b>	<b>2.5</b>
Provisions	0.5	0.8	0.5	0.4
<b>PBT</b>	<b>2.2</b>	<b>1.7</b>	<b>2.0</b>	<b>2.1</b>
Tax	0.5	0.3	0.5	0.5
<b>RoA</b>	<b>1.7</b>	<b>1.4</b>	<b>1.5</b>	<b>1.6</b>
<b>RoE</b>	<b>15.9</b>	<b>12.7</b>	<b>13.9</b>	<b>14.1</b>

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Balance Sheet (INR m)</b>				
Equity	1,797,251	2,055,364	2,358,611	2,712,095
Share capital	6,195	6,216	6,216	6,216
Deposits	11,729,520	13,358,340	15,146,006	17,108,831
Borrowings	1,841,465	2,352,706	2,475,899	2,783,066
Other Liabilities	731,062	1,102,089	1,240,411	1,396,093
<b>Total liabilities</b>	<b>16,099,299</b>	<b>18,868,499</b>	<b>21,220,927</b>	<b>24,000,084</b>
Cash with RBI	736,384	786,274	867,899	957,998
Balance with banks	260,937	262,753	295,731	345,963
Investments	3,961,418	4,450,328	4,922,452	5,560,370
Advances	10,408,113	12,335,699	13,934,326	15,740,124
Fixed assets	62,917	65,494	68,153	70,920
Other assets	669,530	967,952	1,132,366	1,324,709
<b>Total assets</b>	<b>16,099,299</b>	<b>18,868,499</b>	<b>21,220,927</b>	<b>24,000,084</b>
<b>Balance sheet ratios (%)</b>				
LDR	88.7	92.3	92.0	92.0
CASA	40.8	39.6	39.0	38.6
Inv/NDTL	27.7	26.5	26.1	26.1
Borr/NDTL	12.9	14.0	13.1	13.1
Assets/equity (x)	9.0	9.2	9.0	8.8
RWA/Loans	110.9	110.1	111.1	112.2
RWA/Total assets	71.7	72.0	73.0	73.6
<b>Capital ratios (%)</b>				
CRAR	17.1	16.8	16.8	16.8
CET-1	14.7	14.4	14.4	14.4
AT-1	0.4	0.4	0.4	0.4
Tier-2	2.0	2.0	2.0	2.0
<b>Asset quality ratios (%)</b>				
GNPA (INR mn)	144,901	160,837	195,624	232,150
NNPA (INR mn)	36,855	47,896	54,775	65,002
GNPA	1.3	1.3	1.4	1.4
NNPA	0.3	0.4	0.4	0.4
PCR	74.6	70.2	72.0	72.0
Slippage	2.0	2.4	2.0	2.0
NNPA / Equity	2.1	2.3	2.3	2.4
<b>Per share (INR)</b>				
EPS	85.1	78.7	98.9	115.0
DPS	1.0	1.0	1.3	1.5
BVPS	580.3	661.3	758.8	872.6
ABVPS	568.4	645.6	740.8	851.2
Core BVPS	559.3	640.4	737.9	851.7
Core ABVPS	547.4	624.7	719.9	830.3
<b>Valuation (x)</b>				
Price (INR)	1,133.2	1,225.0	1,366.0	1,366.0
P/E	14.4	12.4	13.8	11.9
P/BV	1.7	1.6	1.8	1.6
P/ABV	1.8	1.7	1.8	1.6
P/core BV	1.7	1.6	1.6	1.4
P/core ABV	1.7	1.6	1.7	1.4

Source: Company, PL

**Price Chart**

**Recommendation History**

No.	Date	Rating	TP (INR)	Share Price (INR)
1	10-Apr-26	BUY	1500	1319
2	19-Feb-26	BUY	1500	1376
3	27-Jan-26	BUY	1500	1258
4	08-Jan-26	BUY	1425	1296
5	16-Oct-25	BUY	1425	1170
6	07-Oct-25	BUY	1375	1187
7	18-Jul-25	BUY	1375	1161
8	07-Jul-25	BUY	1500	1175
9	23-Jun-25	BUY	1500	1221
10	25-Apr-25	BUY	1500	1207

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Axis Bank	BUY	1500	1319
2	Bank of Baroda	Accumulate	320	274
3	Canara Bank	Hold	160	138
4	Canara Robeco Asset Management Company	ACCUMULATE	280	255
5	City Union Bank	BUY	310	252
6	DCB Bank	BUY	155	182
7	Federal Bank	BUY	275	283
8	HDFC Asset Management Company	Buy	3000	2662
9	HDFC Bank	Buy	1100	800
10	ICICI Bank	Buy	1825	1347
11	ICICI Prudential Asset Management Company	Buy	3585	3354
12	IndusInd Bank	ACCUMULATE	960	815
13	Kotak Mahindra Bank	BUY	500	372
14	Nippon Life India Asset Management	Buy	985	909
15	Prudent Corporate Advisory Services	Buy	2600	2344
16	State Bank of India	BUY	1280	1041
17	Union Bank of India	Accumulate	200	180
18	UTI Asset Management Company	Buy	1125	942

**PL's Recommendation Nomenclature (Absolute Performance)**

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

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**Corporate Office:** 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

**Registered Office:** 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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