

**HOLD**

TP: Rs 1,216 | ▲ 5%

**AXIS BANK**

| Banking

| 18 July 2025

## Prudent recognition norms drag asset quality and profitability

- Asset quality adversely impacted largely due to the adoption of prudent asset recognition norms
- PAT declined, driven by higher credit cost and moderate business growth
- Maintain HOLD with a revised TP of Rs 1,216; set at 1.5x FY27E (Jun'27) ABV

Niraj Jalan | Vijiya Rao  
research@bobcaps.in

**Asset recognition norms weigh on asset quality:** AXSB's asset quality deteriorated mainly due to the technical impact of its prudent adoption of strict asset recognition norms for slippages and subsequent upgrades. As a result, GNPA ratio increased by 29bps QoQ to 1.57% (1.41% ex- technical impact) as on June 30, 2025. Gross slippages rose sharply to Rs 82bn (+1.7x QoQ), including technical impact of Rs 27.1bn in Q1FY26. Of this, the retail segment accounted for 91% of total gross slippages. However, the economic loss due to technical impact is expected to be minimal, given that 80% of individual contracts slipped were entirely secured. Management expects slippages to be lower in the next 3 quarters of FY26, as Q1FY26 had the stock impact and technical recoveries will also flow through.

**High credit cost impacted PAT:** AXSB's PAT was Rs 58.1bn (-3.8% YoY) - 3.9% lower vs estimates, mainly due to higher credit cost of Rs 39.5bn (+93.6% YoY). The technical impact of prudent asset recognition norms adversely impacted PAT by Rs 6.1bn in Q1FY26. Excluding technical impact, PAT would have been up by 6.4% YoY in Q1FY26. However, PPOP increased by 13.9% YoY, mainly supported by healthy growth in non-interest income (+25.5% YoY) and a marginal rise in opex (+1.9% YoY). NIMs declined to 3.8% (-17bps QoQ), given a) 13bps impact of repricing (72% of floating rate advances with 59% repo linked) b) 4bps impact due to interest reversal (3bps on agri slippages and 1bps on technical impact).

**Business growth below system levels:** AXSB's advances growth remained muted at 8% YoY vs system growth of 9.5% (Jun'25). Loan growth was largely supported by retail loans (+6% YoY), which accounted for 59% of total loans. Deposit growth at 9.3% YoY was also below the system level of ~10.1% YoY (Jun'25). Management guided loan growth to be 300bps higher than system in the medium term.

**Maintain HOLD:** We expect the bank's return metrics to stay modest on prudent asset recognition norms and moderate business growth. We maintain HOLD and roll over valuation at 1.5x FY27E (Jun'27) ABV with revised SOTP-based TP of Rs 1,216 (earlier Rs 1,354).

## Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	AXSB IN/Rs 1,160
Market cap	US\$ 41.7bn
Free float	92%
3M ADV	US\$ 88.2mn
52wk high/low	Rs 1,319/Rs 934
Promoter/FPI/DII	8%/44%/41%

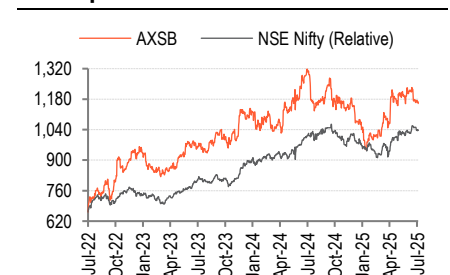
Source: NSE | Price as of 17 Jul 2025

## Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	5,43,478	5,73,937	6,64,385
NII growth (%)	8.9	5.6	15.8
Adj. net profit (Rs mn)	2,63,735	2,46,835	3,08,779
EPS (Rs)	85.3	79.7	99.7
Consensus EPS (Rs)	85.3	89.5	103.7
P/E (x)	13.6	14.6	11.6
P/BV (x)	2.0	1.8	1.5
ROA (%)	1.7	1.5	1.7
ROE (%)	15.9	12.9	14.1

Source: Company, Bloomberg, BOBCAPS Research

## Stock performance



Source: NSE



**Fig 1 – Quarterly snapshot: Income statement**

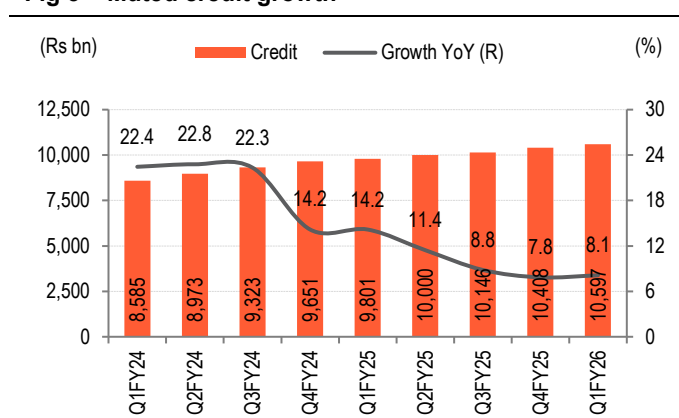
(Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	QoQ (%)	YoY (%)
<b>Income Statement</b>							
<b>Interest Income</b>	2,37,188	2,42,611	2,46,408	2,45,796	2,44,081	(0.7)	2.9
Income on investments	55,808	54,435	58,088	60,951	61,430	0.8	10.1
Int. on bal. with RBI & inter-bank funds & Others	7,611	7,152	5,044	5,678	5,125	(9.7)	(32.7)
<b>Interest income</b>	<b>3,00,607</b>	<b>3,04,199</b>	<b>3,09,539</b>	<b>3,12,425</b>	<b>3,10,635</b>	<b>(0.6)</b>	<b>3.3</b>
Interest expense	1,66,125	1,69,367	1,73,481	1,74,320	1,75,038	0.4	5.4
<b>Net interest income</b>	<b>1,34,482</b>	<b>1,34,832</b>	<b>1,36,059</b>	<b>1,38,105</b>	<b>1,35,598</b>	<b>(1.8)</b>	<b>0.8</b>
Growth YoY (%)	12.5	9.5	8.6	5.5	0.8		
Fee Income	52,040	55,080	54,550	63,380	57,460	(9.3)	10.4
Trading gains/(losses)	4,060	11,110	3,680	1,730	14,200	720.8	249.8
Forex Income	-	-	-	-	-	-	-
Others	1,735	1,029	1,492	2,685	921	(65.7)	(46.9)
<b>Non-interest income</b>	<b>57,835</b>	<b>67,219</b>	<b>59,722</b>	<b>67,795</b>	<b>72,581</b>	<b>7.1</b>	<b>25.5</b>
Growth YoY (%)	13.7	33.5	7.5	0.2	25.5		
<b>Total income</b>	<b>1,92,317</b>	<b>2,02,051</b>	<b>1,95,781</b>	<b>2,05,901</b>	<b>2,08,178</b>	<b>1.1</b>	<b>8.2</b>
Growth YoY (%)	12.8	16.5	8.2	3.7	8.2		
Staff expenses	31,295	31,172	29,846	29,615	32,618	10.1	4.2
Other operating expenses	59,960	63,754	60,596	68,762	60,409	(12.1)	0.7
Operating expenses	91,255	94,926	90,442	98,377	93,027	(5.4)	1.9
<b>Pre-Provisioning Profit (PPoP)</b>	<b>1,01,062</b>	<b>1,07,125</b>	<b>1,05,339</b>	<b>1,07,524</b>	<b>1,15,152</b>	<b>7.1</b>	<b>13.9</b>
Growth YoY (%)	14.7	24.1	15.2	2.1	13.9		
Provisions	20,393	22,041	21,556	13,594	39,477	190.4	93.6
Growth YoY (%)	97.1	170.6	109.6	14.7	93.6		
Exceptional Item	-	-	-	-	-	-	-
<b>PBT</b>	<b>80,670</b>	<b>85,084</b>	<b>83,782</b>	<b>93,930</b>	<b>75,675</b>	<b>(19.4)</b>	<b>(6.2)</b>
Tax	20,323	15,908	20,745	22,755	17,614	(22.6)	(13.3)
<b>PAT</b>	<b>60,346</b>	<b>69,176</b>	<b>63,038</b>	<b>71,175</b>	<b>58,061</b>	<b>(18.4)</b>	<b>(3.8)</b>
Growth YoY (%)	4.1	18.0	3.8	(0.2)	(3.8)		
<b>Per Share</b>							
FV (Rs)	2	2	2	2	2	0.0	0.0
EPS (Rs)	20	22	20	23	19	(18.5)	(4.1)
Book Value (Rs)	513	535	557	580	602	3.7	17.2

Source: Company, BOBCAPS Research

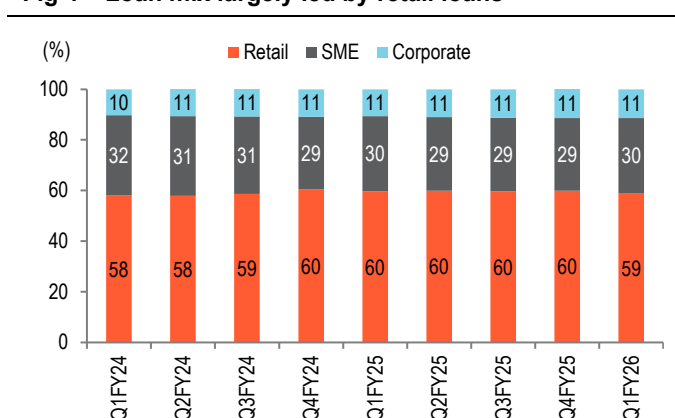
**Fig 2 – Quarterly snapshot: Balance sheet & other key metrics**

Balance sheet (Rs mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	QoQ (%)	YoY (%)
Deposits	1,06,24,837	1,08,67,440	1,09,58,828	1,17,29,520	1,16,16,146	(1.0)	9.3
Growth YoY (%)	12.8	13.7	9.1	9.8	9.3		
Advances	98,00,915	99,99,792	1,01,45,641	1,04,08,113	1,05,97,244	1.8	8.1
Growth YoY (%)	14.2	11.4	8.8	7.8	8.1		
Investment	31,68,514	34,88,552	35,32,834	39,61,418	36,06,406	(9.0)	13.8
Equity	15,86,313	16,56,292	17,22,981	17,97,251	18,65,401	3.8	17.6
Assets	1,46,81,633	1,50,56,580	1,52,57,119	1,60,99,299	1,60,33,077	(0.4)	9.2
Growth YoY (%)	12.7	12.5	9.1	9.0	9.2		
<b>Yield (%)</b>							
Yield on Funds	8.54	8.57	8.58	8.36	8.13	(23bps)	(41bps)
Cost of Funds	5.28	5.36	5.42	5.28	5.19	(9bps)	(9bps)
Spread	3.26	3.21	3.16	3.08	2.94	(14bps)	(32bps)
Net Interest Margin	3.82	3.80	3.77	3.70	3.55	(15bps)	(27bps)
<b>Ratios (%)</b>							
Other Income / Net Income	30.1	33.3	30.5	32.9	34.9	194bps	479bps
Cost to Income ratio	47.5	47.0	46.2	47.8	44.7	(309bps)	(276bps)
CASA ratio	41.8	40.6	39.5	40.8	40.3	(46bps)	(153bps)
C/D ratio	92.2	92.0	92.6	88.7	91.2	249bps	(102bps)
Investment to Assets	21.6	23.2	23.2	24.6	22.5	(211bps)	91bps
<b>Assets Quality</b>							
GNPA	1,62,113	1,54,662	1,58,503	1,44,901	1,77,647	22.6	9.6
NNPA	35,530	36,125	37,748	36,855	50,660	37.5	42.6
Provision	1,26,584	1,18,538	1,20,755	1,08,047	1,26,987	17.5	0.3
GNPA (%)	1.54	1.44	1.46	1.28	1.57	29bps	3bps
NNPA (%)	0.34	0.34	0.35	0.33	0.45	12bps	11bps
Provision (%)	78.08	76.64	76.18	74.57	71.48	(308bps)	(660bps)
<b>Others (Nos)</b>							
Branches	5,427	5,577	5,706	5,876	5,879	3	452
ATMs	15,014	14,728	14,476	13,941	14,134	193	(880)
Employees	1,04,500	1,03,400	1,02,350	1,04,400	1,03,900	(500)	(600)

Source: Company, BOBCAPS Research

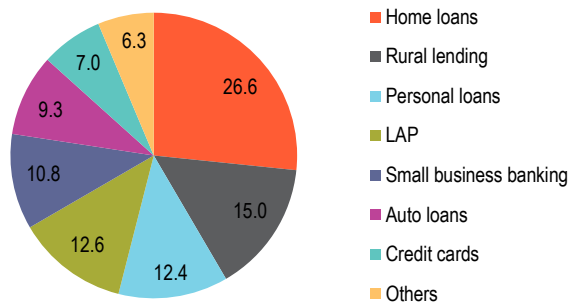
**Fig 3 – Muted credit growth**


Source: Company, BOBCAPS Research

**Fig 4 – Loan mix largely led by retail loans**


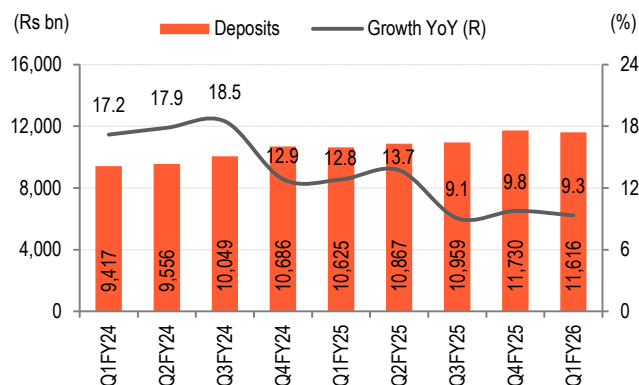
Source: Company, BOBCAPS Research

**Fig 5 – Retail loan mix (Q1FY26)**



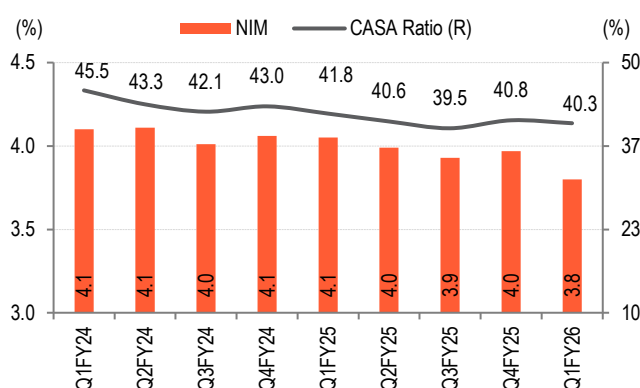
Source: Company, BOBCAPS Research

**Fig 6 – Deposits grew moderately**



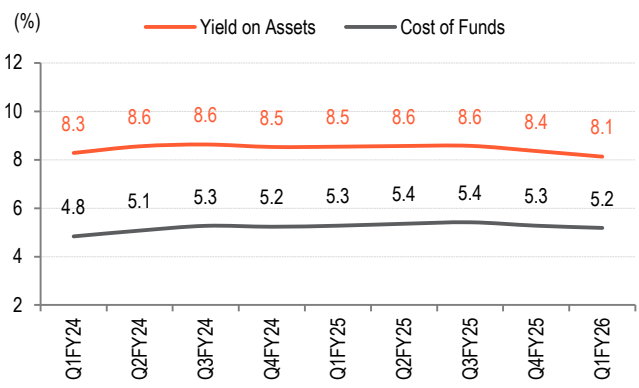
Source: Company, BOBCAPS Research

**Fig 7 – NIM declined on repricing and interest reversal**



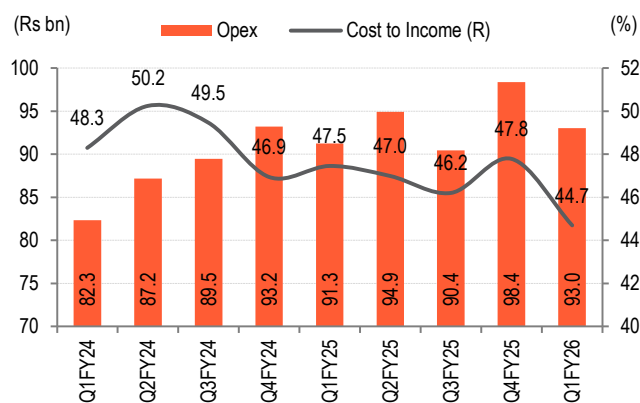
Source: Company, BOBCAPS Research

**Fig 8 – Yields down mainly due to repricing impact**



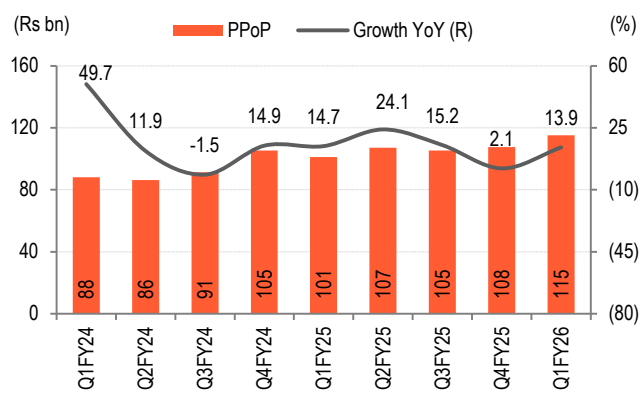
Source: Company, BOBCAPS Research

**Fig 9 – Cost-to-income ratio improved**



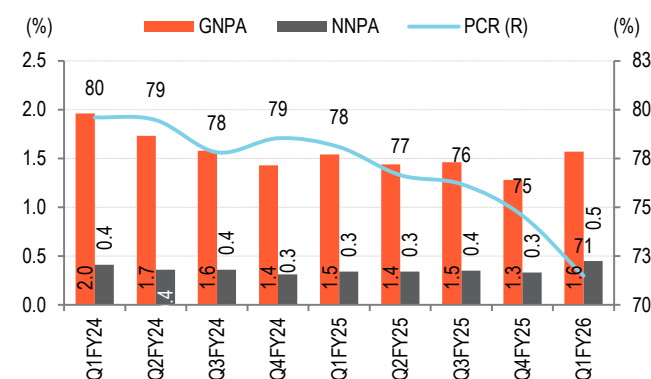
Source: Company, BOBCAPS Research

**Fig 10 – PPOp supported by healthy fee income and controlled costs**



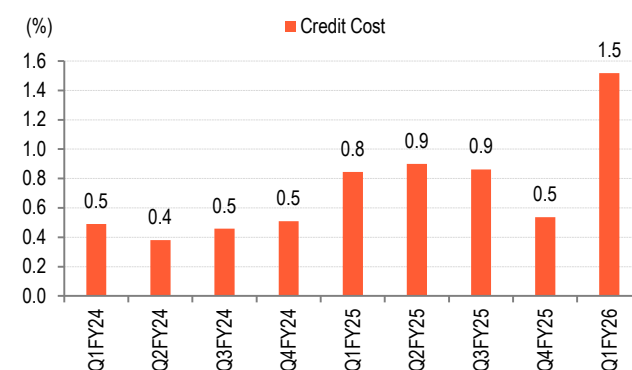
Source: Company, BOBCAPS Research

**Fig 11 – Asset quality deteriorated on prudent asset recognition norms...**



Source: Company, BOBCAPS Research

**Fig 12 – ...resulting in higher credit cost**



Source: Company, BOBCAPS Research

**Fig 13 – Summary of technical impact**

Particulars (Rs bn)	Gross slippage	Gross slippage %	Net slippage	Net slippage %	Net credit cost	Net credit cost %	GNPA	GNPA %	NNPA	NNPA %
Reported	82.0	3.1	60.5	2.3	39.0	1.4	177.7	1.6	50.7	0.5
Technical impact	(27.1)	(1.0)	(18.6)	(0.7)	(8.2)	(0.3)	(18.5)	(0.2)	(10.3)	(0.1)
Excluding Technical Impact	54.9	2.1	41.9	1.6	30.8	1.1	159.1	1.4	40.4	0.4

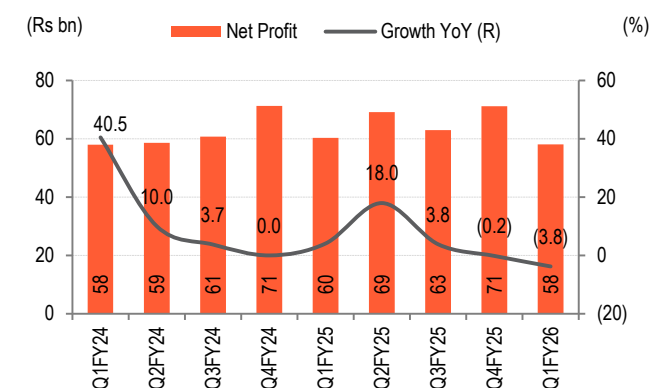
Source: Company, BOBCAPS Research

**Fig 14 – Segmental breakup**

Particulars (Rs bn)	Gross Slippage			Net Slippage			Net Credit Cost			GNPA			NNPA		
	WBG	CBG	Retail	WBG	CBG	Retail	WBG	CBG	Retail	WBG	CBG	Retail	WBG	CBG	Retail
Reported	3.0	4.0	75.0	1.9	1.4	57.3	(1.7)	0.6	40.1	34.7	10.2	132.8	2.9	3.2	44.5
Technical impact	(2.3)	(3.1)	(21.7)	(1.9)	(1.0)	(15.7)	(0.6)	(0.4)	(7.2)	(1.9)	(1.0)	(15.7)	(1.2)	(0.6)	(8.5)
Excluding Technical Impact	0.6	0.9	53.4	0.0	0.4	41.5	-2.3	0.2	32.9	32.8	9.2	117.1	1.7	2.6	36.1

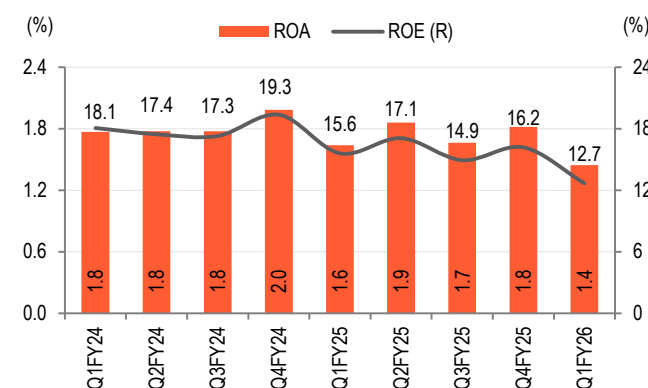
Source: Company, BOBCAPS Research

**Fig 15 – Net profit was impacted given high credit cost**



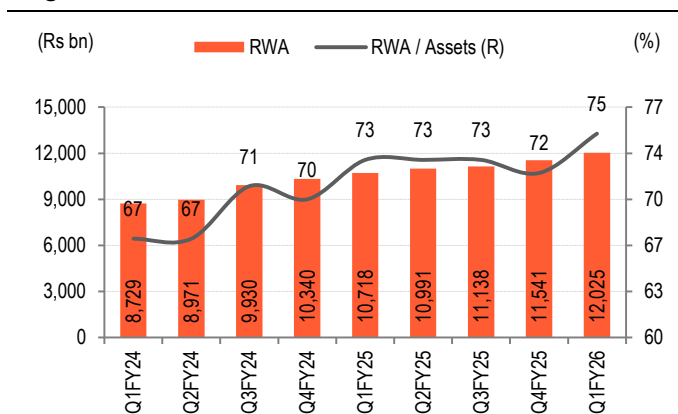
Source: Company, BOBCAPS Research

**Fig 16 – ...resulting in lower return metrics**



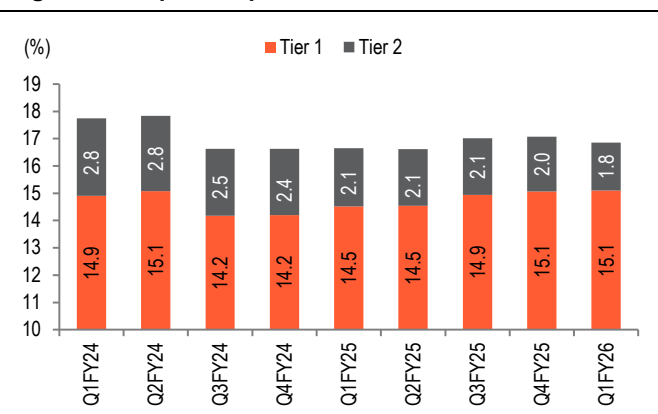
Source: Company, BOBCAPS Research

**Fig 17 – RWA increases to Rs 12 Tn as of Q1FY26**



Source: Company, BOBCAPS Research

**Fig 18 – Adequate capital ratios**



Source: Company, BOBCAPS Research

## Earnings call highlights

### Asset quality

- Slippages increased to Rs 82bn in Q1FY26 vs Rs 48bn Q4FY25, while upgrades and recoveries stood at Rs 21.5bn in Q1FY26 vs Rs 27.9bn in Q4FY25. Write-offs stood at Rs 27.8bn vs Rs 33.8bn in Q4. PCR with technical write-off was at 92% in Q1FY26.
- Excluding, technical impact, the gross slippage and GNPA was high at 2.1% and 1.41%, respectively in Q1FY26. Technical Impact is largely restricted to cash credit, overdraft products and one time settled (OTS) accounts.
- The MFI book consists of ~2.4% of retail loans, of which ~1% is retail MFI. Management stated that they have witnessed improvement in the credit card portfolio and stabilisation in the personal loan book. Management gets comfort from an improving trend in bounce rates, early delinquency and collection efficiencies.
- The fund-based BB-&-below book stood at 0.22% of loans.
- Non-NPA provisions amounted to Rs 118bn vs Rs 120bn in Q4.
- Total provisions-to-GNPA ratio was 138%.
- Net credit cost (annualised) for the quarter is 1.38%.

### Loans and deposits

- Net advances grew 8% YoY and 2% QoQ. Total deposits grew 9% YoY and -1% QoQ. Retail loans grew 6% YoY, accounting for 59% of the bank's net advances, while secured lending constituted ~72%, with home loans comprising 27% of the retail book.
- On the retail side, Home Loans remained flat YoY, Personal Loans 5% YoY, Credit Card book 2% YoY, Small Business Banking (SBB) 15% YoY and 1% QoQ; while the rural loan portfolio grew 5% YoY and -5% QoQ. SME book remains well diversified across geographies and sectors, growing 16% YoY.

- Corporate loan book (gross of IBPC sold) grew 9% YoY, while domestic corporate book grew 11% YoY. Growth in the mid-corporate book was 24% YoY and 15% QoQ, wherein 90% of corporate book is now rated A- and above with 88% of incremental sanctions in Q1FY26 being to the corporates rated A- and above.
- Of the loan book, 72% is floating wherein 59% is linked to repo rate and 25% fixed rate. Further, 9% is linked to MCLR, 4% to other EBLR, 1% to the base rate and 1% to foreign currency-floating.
- Low-yielding Rural Infrastructure Development Fund (RIDF) bonds declined to 0.8% of the asset from 0.9% in Q4.
- AXSB has an excess SLR of Rs 966.08bn and maintained an average LCR that stood at 119%, providing confidence on ample liquidity.

### Profitability

- The adverse impact related to technical impact on RoA and RoE was 15bps and 1.4%.
- Domestic NIM declined to 3.91% in Q1FY26 from 4.08% in Q4FY25. Correspondingly, overall NIM contracted by 17 bps QoQ to 3.80%, primarily driven by a 13-bps compression in spreads and a 4-bps impact owing to deterioration in asset quality. Management expects to maintain average NIMs of 3.8%.

### Network

- The bank added 3 branches during the quarter, taking its overall distribution network to 5,879 domestic branches and will continue to invest in network building.
- Axis Virtual Centre is present across eight centers with over ~1825 Virtual Relationship Managers as of Jun'25.

### Subsidiary performance

- Axis Finance delivered a resilient performance with PAT at Rs 1.89 bn, up 23% YoY. Notably, retail book, which now contributes 47% of total loans, grew by 26% YoY, underscoring the company's focus on building a balanced portfolio. Net NPA of 0.35% and Capital Adequacy Ratio at 19.83% reflect prudent risk management and strong capitalisation. The bank's focus on the wholesale business remains on well-rated companies and cash flow-backed transactions.
- Axis AMC's overall QAAUM grew 15% YoY to Rs 3,356bn. Q1FY26 PAT was Rs 1.3bn, up 12% YoY from Rs 1.16bn in Q1FY25.
- Axis Capital's Q1FY26 PAT was Rs 0.38bn, down 23% YoY from Rs 0.49bn in Q1FY25. The company completed 6 ECM transactions during Q1FY26.
- Axis Securities' revenues for Q1FY26 declined 15% YoY to Rs 3.6bn. Its Q1FY26 PAT stood at Rs 0.89bn, down 27% YoY.

## Valuation Outlook

**Valuation outlook:** We expect AXSB's return metrics to stay modest due to prudent asset recognition norms and moderate business growth. We roll over the valuation to 1.5x FY27E (Jun'27) ABV using the Gordon Growth Model at a revised SOTP-based TP of Rs 1,216 (earlier Rs 1,354), with Rs 121/share as value of subsidiaries. We maintain our HOLD rating on the stock.

**Fig 19 – Actual vs Estimates**

(Rs mn)	Q1FY26A	Q1FY26E	Change (%)
Loans	1,05,97,244	1,05,45,785	0.5
Deposits	1,16,16,146	1,16,87,321	(0.6)
Assets	1,60,33,077	1,63,28,586	(1.8)
NII	1,35,598	1,36,823	(0.9)
PPOP	1,15,152	1,06,858	7.8
Provisions	39,477	26,192	50.7
PAT	58,061	60,419	(3.9)

Source: Company, BOBCAPS Research

**Fig 20 – Key operational assumptions**

(%)	FY25	FY26E	FY27E	FY28E
Advances Growth	7.8	11.5	12.5	13.6
Net Interest Income Growth	8.9	5.6	15.8	15.5
PPoP Growth	13.4	5.1	17.0	15.6
PAT Growth	6.1	-6.4	25.1	19.6
NIM	4.0	3.7	3.9	3.9
GNPA	1.4	1.6	1.7	1.7
CAR	17.1	17.2	17.4	17.7

Source: Company, BOBCAPS Research

**Fig 21 – Valuation summary**

Business	Valuation	Holdings (%)	Value (Rs/sh)
Axis Bank	1.5x FY27E ABV	100	1,095
Axis AMC	6% of AUM	75	39
Axis Finance	1.4x FY27E ABV	100	25
Axis Capital	15x FY27E EPS	100	11
Axis Securities	15x FY27E EPS	100	21
Max Life	1.8x FY27E P/EV	19	25
<b>Total</b>			<b>1,216</b>

Source: Company, BOBCAPS Research

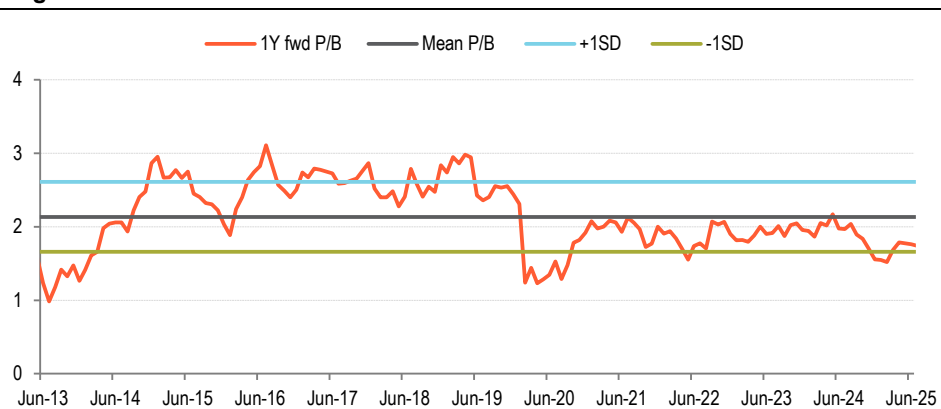


**Fig 22 – Key valuation assumptions**

Gordon growth model	Assumptions
Risk-free rate (%)	6.6
Equity risk premium (%)	5.5
Beta	1.2
Cost of equity (%)	13.2
Blended ROE (%)	15.4
Initial high growth period (yrs)	10.0
Payout ratio of high-growth phase (%)	15.0
Long-term growth (%)	3.1
Long term dividend payout ratio (%)	80.0
Justified P/BV Multiple (x)	1.5

Source: Company, BOBCAPS Research

**Fig 23 – PB band chart**



Source: Company, BOBCAPS Research

## Key risks

Key downside risks to our estimates are:

- any sudden delinquency in the Retail and SME segments, resulting in higher credit cost;
- inability to manage cost of funds, which may drag down NIMs as well as overall profitability.

Key upside risks to our estimates are:

- higher credit growth than our estimates;
- bank being able to maintain credit cost at lower level vs. normalisation of the same.

## Glossary

Glossary of Abbreviations			
<b>AUCA</b>	Advance Under Collection Account	<b>LDR</b>	Loan/Deposit Ratio
<b>ARC</b>	Asset Reconstruction Company	<b>MCLR</b>	Marginal Cost of Funds-based Lending Rate
<b>BRDS</b>	Bills Rediscounting Scheme	<b>MTM</b>	Mark to Market
<b>CASA</b>	Current Account and Savings Account	<b>NII</b>	Net Interest Income
<b>CAR</b>	Capital Adequacy Ratio	<b>NIM</b>	Net Interest Margin
<b>CET1</b>	Common Equity Tier 1	<b>NNPA</b>	Net Non-Performing Assets
<b>CD</b>	Credit-Deposit Ratio	<b>PCR</b>	Provision Coverage Ratio
<b>C/I</b>	Cost-Income Ratio	<b>PPOP</b>	Pre-Provision Operating Profit
<b>CBG</b>	Commercial Banking Group	<b>PSU</b>	Public Sector Unit
<b>DCM</b>	Debt Capital Market	<b>RWA</b>	Risk-Weighted Assets
<b>EBLR</b>	External Benchmark-based Lending Rate	<b>SBB</b>	Small Business Banking
<b>ECL</b>	Expected Credit Loss	<b>SLR</b>	Statutory Liquidity Ratio
<b>GNPA</b>	Gross Non-Performing Assets	<b>SMA</b>	Special Mention Account
<b>IBPC</b>	Interbank Participation Certificate	<b>SME</b>	Small and Medium-sized Enterprises
<b>LAP</b>	Loans against Property	<b>TD</b>	Term Deposits
<b>LCR</b>	Liquidity Coverage Ratio		

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	4,98,945	5,43,478	5,73,937	6,64,385	7,67,301
NII growth (%)	16.2	8.9	5.6	15.8	15.5
Non-interest income	2,24,420	2,52,571	2,77,856	3,25,446	3,67,909
Total income	7,23,364	7,96,049	8,51,793	9,89,831	11,35,209
Operating expenses	3,52,133	3,74,999	4,09,291	4,72,217	5,36,837
PPOP	3,71,232	4,21,049	4,42,502	5,17,614	5,98,372
PPOP growth (%)	87.6	13.4	5.1	17.0	15.6
Provisions	40,631	77,584	1,15,569	1,04,808	1,04,576
PBT	3,30,601	3,43,466	3,26,933	4,12,806	4,93,796
Tax	81,986	79,731	80,099	1,04,027	1,24,437
Reported net profit	2,48,614	2,63,735	2,46,835	3,08,779	3,69,360
Adjustments	0	0	0	0	0
Adjusted net profit	2,48,614	2,63,735	2,46,835	3,08,779	3,69,360

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity capital	6,173	6,195	6,195	6,195	6,195
Reserves & surplus	15,04,443	17,91,057	20,35,176	23,40,558	27,05,855
Net worth	15,10,616	17,97,251	20,41,371	23,46,753	27,12,050
Deposits	1,06,86,414	1,17,29,520	1,30,08,038	1,45,95,019	1,65,36,156
Borrowings	19,68,118	18,41,465	19,33,538	20,88,221	22,76,161
Other liab. & provisions	6,06,939	7,31,062	5,97,296	7,97,370	9,36,630
Total liab. & equities	1,47,72,086	1,60,99,299	1,75,80,243	1,98,27,363	2,24,60,997
Cash & bank balance	11,44,544	9,97,321	12,12,140	14,64,342	16,65,518
Investments	33,15,272	39,61,418	39,77,502	44,27,474	49,69,378
Advances	96,50,684	1,04,08,113	1,16,05,046	1,30,55,677	1,48,31,249
Fixed & Other assets	6,61,586	7,32,447	7,85,554	8,79,869	9,94,852
Total assets	1,47,72,086	1,60,99,299	1,75,80,243	1,98,27,363	2,24,60,997
Deposit growth (%)	12.9	9.8	10.9	12.2	13.3
Advances growth (%)	14.2	7.8	11.5	12.5	13.6

### Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	80.7	85.3	79.7	99.7	119.2
Dividend per share	1.0	1.0	0.9	1.1	1.3
Book value per share	489.4	580.3	659.1	757.7	875.6

### Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	14.4	13.6	14.6	11.6	9.7
P/BV	2.4	2.0	1.8	1.5	1.3
Dividend yield (%)	0.1	0.1	0.1	0.1	0.1

### DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	3.6	3.5	3.4	3.6	3.6
Non-interest income	1.6	1.6	1.7	1.7	1.7
Operating expenses	2.5	2.4	2.4	2.5	2.5
Pre-provisioning profit	2.7	2.7	2.6	2.8	2.8
Provisions	0.3	0.5	0.7	0.6	0.5
PBT	2.4	2.2	1.9	2.2	2.3
Tax	0.6	0.5	0.5	0.6	0.6
ROA	1.8	1.7	1.5	1.7	1.7
Leverage (x)	10.1	9.3	8.8	8.5	8.4
ROE	18.0	15.9	12.9	14.1	14.6

### Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
<b>YoY growth (%)</b>					
Net interest income	16.2	8.9	5.6	15.8	15.5
Pre-provisioning profit	87.6	13.4	5.1	17.0	15.6
EPS	158.8	5.7	(6.6)	25.1	19.6
<b>Profitability &amp; Return ratios (%)</b>					
Net interest margin	4.1	4.0	3.7	3.9	3.9
Fees / Avg. assets	40.2	40.9	41.3	43.5	43.5
Cost-Income	48.7	47.1	48.1	47.7	47.3
ROE	18.0	15.9	12.9	14.1	14.6
ROA	1.8	1.7	1.5	1.7	1.7
<b>Asset quality (%)</b>					
GNPA	1.5	1.4	1.6	1.7	1.7
NNPA	0.3	0.4	0.5	0.4	0.4
Slippage ratio	1.7	2.0	2.6	2.4	2.3
Credit cost	0.4	0.8	1.1	0.9	0.8
Provision coverage	78.3	74.3	71.7	73.7	74.7
<b>Ratios (%)</b>					
Credit-Deposit	90.3	88.7	89.2	89.5	89.7
Investment-Deposit	31.0	33.8	30.6	30.3	30.1
CAR	16.6	17.1	17.2	17.4	17.7
Tier-1	14.2	15.1	15.3	15.6	16.1

Source: Company, BOBCAPS Research

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Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**

SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**

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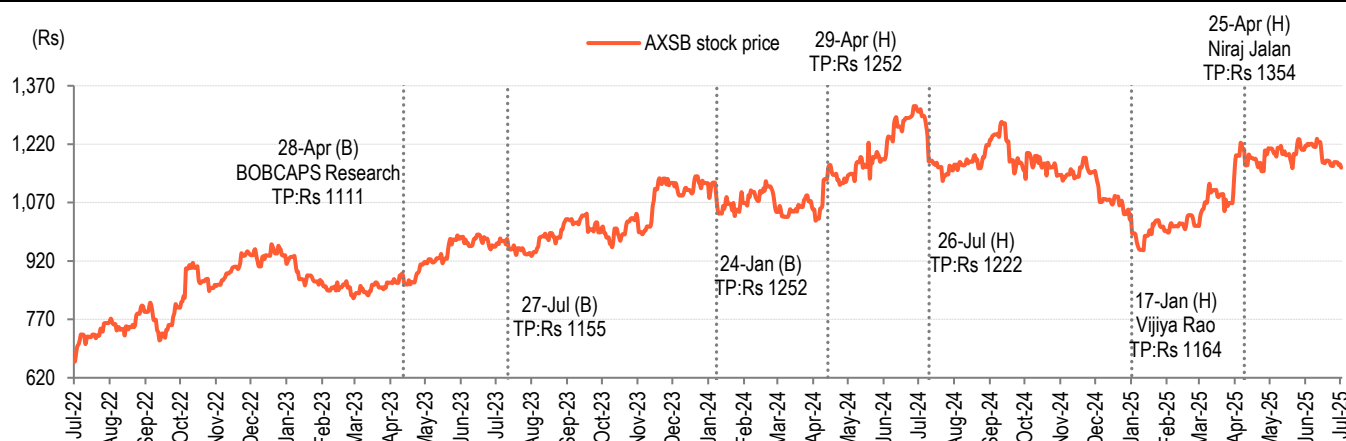
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