

**BUY**

TP: Rs 1,470 | ▲ 17%

**AXIS BANK**

| Banking

| 27 January 2026

## Business growth gaining traction with improving return profile

- PPOP in line with estimates; return ratios and asset quality improving
- Business growth gaining traction with deposit growth outpacing advances growth
- Upgrade to BUY from HOLD with revised TP of Rs 1,470 (from Rs 1,260) and roll over valuation to 1.6x Dec'27E ABV (1.5x earlier)

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**PPoP in-line with estimates with return ratios improving:** AXSB's operating performance was steady with PPOP at Rs 108.8bn (+4.4% QoQ), and was in line with our estimates. This was mainly on the back of rise in NII to Rs 142.9bn (+3.9% QoQ) and a decline in operating cost to Rs 96.4bn (-3.2% QoQ). This was in-line with the bank's conscious strategy to optimise NII as it percolates to PAT and supports return ratios. However, NIMs declined to 3.64% (-9bps QoQ), mainly due to decline in the share of relatively high-yielding retail and SME book to 67.6% (-3.3% YoY; -1.0% QoQ) of total loans. Further, cost to assets improved to 2.3% (-5bps QoQ), primarily on sequential reduction in employees by ~950. With lower provisions of Rs 22.5bn (-36.7% QoQ), PAT increased to Rs 64.9bn (+27.5% QoQ) and was 6.3% above our estimates. Hence, return ratios improved with RoA/ RoE of 1.5%/13.7% in Q3FY26 vs 1.2%/11.1% in Q2FY26.

**Business growth gaining traction:** There was sustained net advances growth of 14.2% YoY (Q3FY26) from 11.7% YoY (Q2FY26), and high single-digit growth in the prior three quarters. Management highlighted a change in the growth strategy, marked by a calibrated tilt toward high-quality wholesale growth with corporate up by 27% YoY (32% of total loans). ~90% of corporate loans are rated A- and above, indicating better credit quality. Further, deposit growth gained traction at 15% YoY vs 9.1%-10.7% YoY in the last 4 quarters, led by broad-based growth across segments. Management reiterated guidance on loan growth to be 300bps higher than system in the medium term.

**Asset quality improving:** AQ improved with GNPA ratio falling by 6bps QoQ to 1.4%, as of Dec'25. This was mainly led by controlled slippages at Rs 60bn (+5% QoQ) or slippage ratio of 2.11% (flat QoQ) and elevated reductions. Management stated that retail AQ trends have stabilised with healthy overall PCR of ~70%.

**Upgrade to BUY:** With sustained business growth momentum resulting in an increase in the return profile, along with improvement in AQ, the bank is poised to deliver RoA/RoE of 1.9%/16.1% by FY28E. We upgrade to BUY from HOLD with revised TP of Rs 1,470 (from Rs 1,260), set at 1.6x Dec'27E ABV (from 1.5x earlier).

## Key changes

Target	Rating
▲	▲

Ticker/Price	AXSB IN/Rs 1,258
Market cap	US\$ 42.6bn
Free float	92%
3M ADV	US\$ 68.1mn
52wk high/low	Rs 1,327/Rs 934
Promoter/FPI/DII	8%/43%/43%

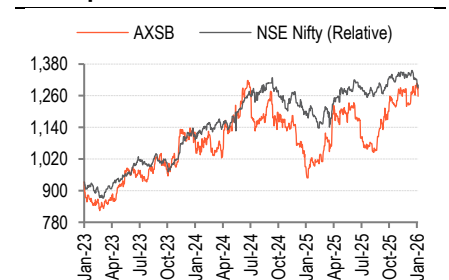
Source: NSE | Price as of 23 Jan 2026

## Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	5,43,478	5,63,724	6,57,845
NII growth (%)	8.9	3.7	16.7
Adj. net profit (Rs mn)	2,63,735	2,49,111	3,30,730
EPS (Rs)	85.3	80.3	106.5
Consensus EPS (Rs)	85.3	79.1	99.3
P/E (x)	14.7	15.7	11.8
P/BV (x)	2.2	1.9	1.6
ROA (%)	1.7	1.5	1.7
ROE (%)	15.9	13.0	15.0

Source: Company, Bloomberg, BOBCAPS Research

## Stock performance



Source: NSE



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

(Rs mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
<b>Income Statement</b>							
<b>Interest Income</b>	2,46,408	2,45,796	2,44,081	2,44,242	2,51,634	2.1	3.0
Income on investments	58,088	60,951	61,430	58,917	65,559	12.9	11.3
Int. on bal. with RBI & inter-bank funds & Others	5,044	5,678	5,125	6,544	5,551	10.1	(15.2)
<b>Interest income</b>	<b>3,09,539</b>	<b>3,12,425</b>	<b>3,10,635</b>	<b>3,09,702</b>	<b>3,22,744</b>	<b>4.3</b>	<b>4.2</b>
Interest expense	1,73,481	1,74,320	1,75,038	1,72,257	1,79,878	3.7	4.4
<b>Net interest income</b>	<b>1,36,059</b>	<b>1,38,105</b>	<b>1,35,598</b>	<b>1,37,446</b>	<b>1,42,866</b>	<b>5.0</b>	<b>3.9</b>
Growth YoY (%)	8.6	5.5	0.8	1.9	5.0		
Fee Income	54,550	63,380	57,460	60,370	61,000	11.8	1.0
Trading gains/(losses)	3,680	1,730	14,200	4,980	610	(83.4)	(87.8)
Forex Income	-	-	-	-	-	-	-
Others	1,492	2,685	921	896	647	(56.7)	(27.8)
<b>Non-interest income</b>	<b>59,722</b>	<b>67,795</b>	<b>72,581</b>	<b>66,246</b>	<b>62,257</b>	<b>4.2</b>	<b>(6.0)</b>
Growth YoY (%)	7.5	0.2	25.5	(1.4)	4.2		
<b>Total income</b>	<b>1,95,781</b>	<b>2,05,901</b>	<b>2,08,178</b>	<b>2,03,691</b>	<b>2,05,122</b>	<b>4.8</b>	<b>0.7</b>
Growth YoY (%)	8.2	3.7	8.2	0.8	4.8		
Staff expenses	29,846	29,615	32,618	31,176	27,718	(7.1)	(11.1)
Other operating expenses	60,596	68,762	60,409	68,390	68,647	13.3	0.4
Operating expenses	90,442	98,377	93,027	99,566	96,365	6.5	(3.2)
<b>Pre-Provisioning Profit (PPoP)</b>	<b>1,05,339</b>	<b>1,07,524</b>	<b>1,15,152</b>	<b>1,04,125</b>	<b>1,08,757</b>	<b>3.2</b>	<b>4.4</b>
Growth YoY (%)	15.2	2.1	13.9	(2.8)	3.2		
Provisions	21,556	13,594	39,477	35,470	22,459	4.2	(36.7)
Growth YoY (%)	109.6	14.7	93.6	60.9	4.2		
Exceptional Item	-	-	-	-	-	-	-
<b>PBT</b>	<b>83,782</b>	<b>93,930</b>	<b>75,675</b>	<b>68,655</b>	<b>86,298</b>	<b>3.0</b>	<b>25.7</b>
Tax	20,745	22,755	17,614	17,759	21,402	3.2	20.5
<b>PAT</b>	<b>63,038</b>	<b>71,175</b>	<b>58,061</b>	<b>50,896</b>	<b>64,896</b>	<b>2.9</b>	<b>27.5</b>
Growth YoY (%)	3.8	(0.2)	(3.8)	(26.4)	2.9		
<b>Per Share</b>							
FV (Rs)	2	2	2	2	2	0.0	0.0
EPS (Rs)	20	23	19	16	21	2.7	27.4
Book Value (Rs)	557	580	602	618	640	14.9	3.5

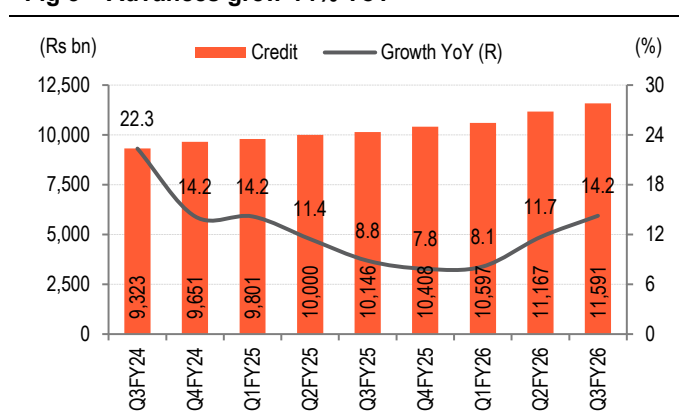
Source: Company, BOBCAPS Research

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

Balance sheet (Rs mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
<b>Deposits</b>	<b>1,09,58,828</b>	<b>1,17,29,520</b>	<b>1,16,16,146</b>	<b>1,20,34,869</b>	<b>1,26,07,859</b>	<b>15.0</b>	<b>4.8</b>
Growth YoY (%)	9.1	9.8	9.3	10.7	15.0		
<b>Advances</b>	<b>1,01,45,641</b>	<b>1,04,08,113</b>	<b>1,05,97,244</b>	<b>1,11,67,030</b>	<b>1,15,90,517</b>	<b>14.2</b>	<b>3.8</b>
Growth YoY (%)	8.8	7.8	8.1	11.7	14.2		
Investment	35,32,834	39,61,418	36,06,406	39,18,508	41,84,295	18.4	6.8
Equity	17,22,981	17,97,251	18,65,401	19,17,615	19,86,011	15.3	3.6
Assets	1,52,57,119	1,60,99,299	1,60,33,077	1,67,66,144	1,75,21,715	14.8	4.5
Growth YoY (%)	9.1	9.0	9.2	11.4	14.8		
<b>Yield (%)</b>							
Yield on Funds	8.58	8.36	8.13	7.96	7.90	(68bps)	(7bps)
Cost of Funds	5.42	5.28	5.19	5.02	4.99	(42bps)	(3bps)
Spread	3.16	3.08	2.94	2.94	2.90	(26bps)	(4bps)
<b>Net Interest Margin</b>	<b>3.93</b>	<b>3.97</b>	<b>3.80</b>	<b>3.73</b>	<b>3.64</b>	<b>(29bps)</b>	<b>(9bps)</b>
<b>Ratios (%)</b>							
Other Income / Net Income	30.5	32.9	34.9	32.5	30.4	(15bps)	(217bps)
Cost to Income ratio	46.2	47.8	44.7	48.9	47.0	78bps	(190bps)
CASA ratio	39.5	40.8	40.3	39.8	39.1	(39bps)	(69bps)
C/D ratio	92.6	88.7	91.2	92.8	91.9	(65bps)	(86bps)
Investment to Assets	23.2	24.6	22.5	23.4	23.9	73bps	51bps
<b>Assets Quality</b>							
GNPA	1,58,503	1,44,901	1,77,647	1,73,077	1,71,668	8.3	(0.8)
NNPA	37,748	36,855	50,660	51,139	51,543	36.5	0.8
Provision	1,20,755	1,08,047	1,26,987	1,21,939	1,20,125	(0.5)	(1.5)
GNPA (%)	1.46	1.28	1.57	1.46	1.40	(6bps)	(6bps)
NNPA (%)	0.35	0.33	0.45	0.44	0.42	7bps	(2bps)
Provision (%)	76.18	74.57	71.48	70.45	69.98	(621bps)	(48bps)
<b>Others (Nos)</b>							
Branches	5,706	5,876	5,879	5,976	6,110	404	134
ATMs	14,476	13,941	14,134	13,177	12,838	(1,638)	(339)
Employees	1,02,350	1,04,400	1,03,900	1,02,800	1,01,850	(500)	(950)

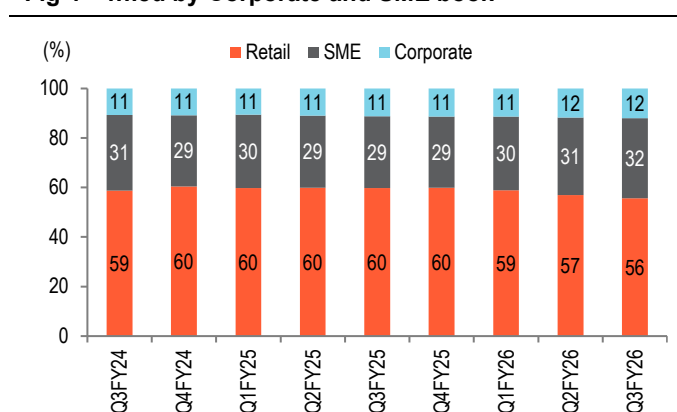
Source: Company, BOBCAPS Research

**Fig 3 – Advances grew 14% YoY**



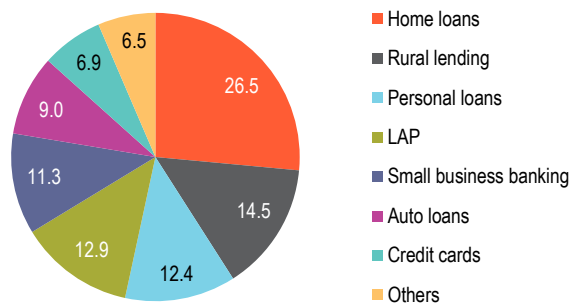
Source: Company, BOBCAPS Research

**Fig 4 – ...led by Corporate and SME book**



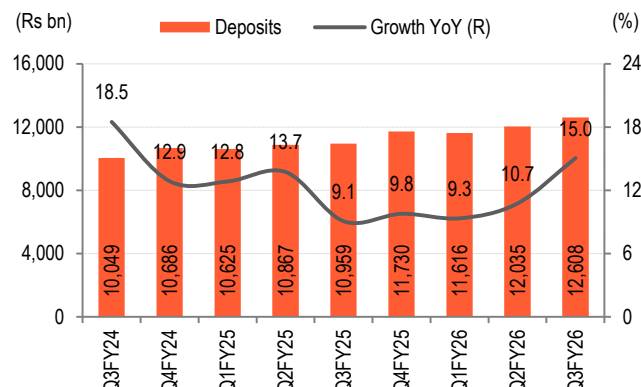
Source: Company, BOBCAPS Research

**Fig 5 – Retail loan mix (Q3FY26)**



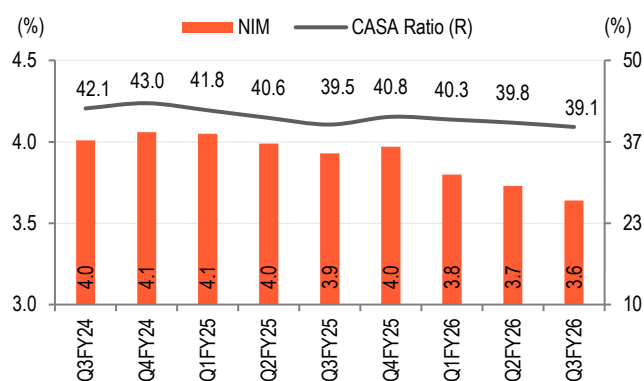
Source: Company, BOBCAPS Research

**Fig 6 – Deposits grew higher vs system levels**



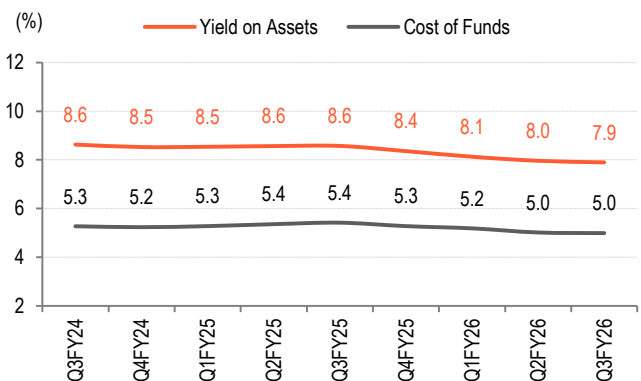
Source: Company, BOBCAPS Research

**Fig 7 – NIMs declined on lower spreads and lower CASA**



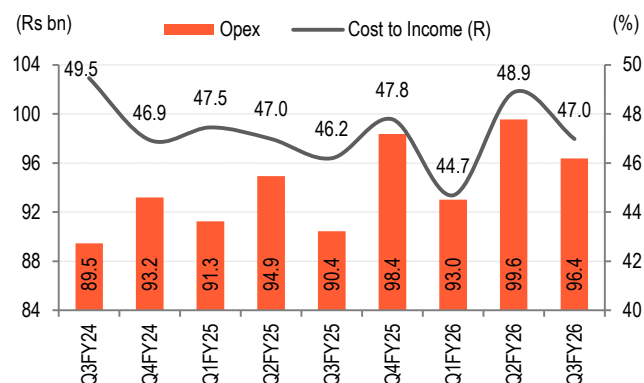
Source: Company, BOBCAPS Research

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



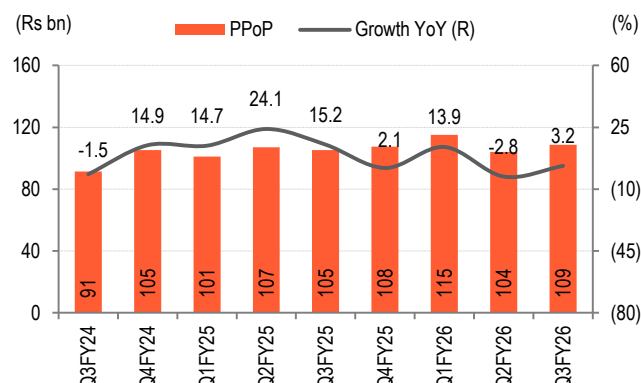
Source: Company, BOBCAPS Research

**Fig 9 – C/I ratio improved**



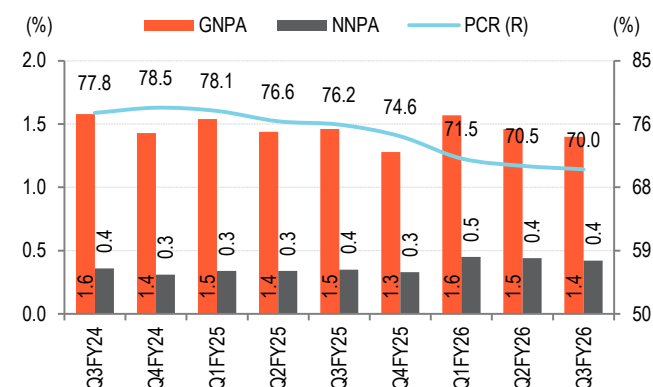
Source: Company, BOBCAPS Research

**Fig 10 – PPOp mainly supported by controlled costs**



Source: Company, BOBCAPS Research

**Fig 11 – Asset quality improving...**



Source: Company, BOBCAPS Research

**Fig 12 – Credit cost improved**



Source: Company, BOBCAPS Research

**Fig 13 – Summary of technical impact (Q3FY26)**

Particulars (Rs bn)	Gross slippage	Gross slippage (%)	Net slippage	Net slippage (%)	Net credit cost	Net credit cost (%)	GNPA	GNPA (%)	NNPA	NNPA (%)
Reported	60.1	2.1	31.4	1.1	23.1	0.8	171.7	1.4	51.5	0.4
Technical impact	(17.0)	(0.6)	(4.5)	(0.2)	(3.8)	(0.1)	(23.2)	(0.2)	(11.3)	(0.1)
Excluding Technical Impact	43.1	1.5	26.9	1.0	19.3	0.6	148.5	1.2	40.3	0.3

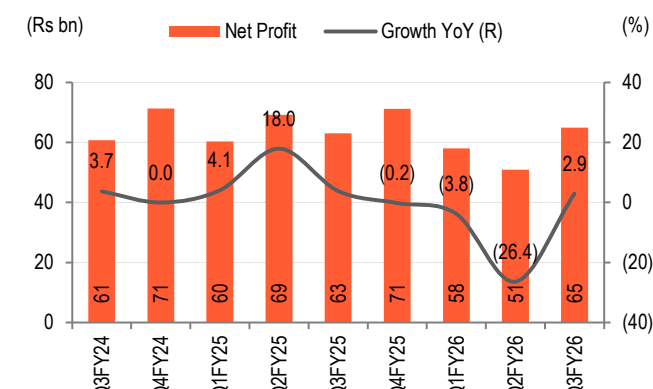
Source: Company, BOBCAPS Research

**Fig 14 – Segmental breakup (Q3FY26)**

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	1.7	3.7	54.7	(1.1)	2.0	30.5	(1.7)	0.6	24.2	26.5	10.4	134.8	2.3	3.3	45.9
Technical impact	(0.8)	(2.6)	(13.7)	0.6	(1.0)	(4.1)	(0.2)	(0.5)	(3.1)	(1.9)	(2.4)	(18.9)	(1.2)	(1.2)	(8.9)
Excluding Technical Impact	0.9	1.1	41.1	-0.6	0.9	26.5	-1.8	0.1	21.0	24.6	8.0	115.9	1.1	2.1	37.1

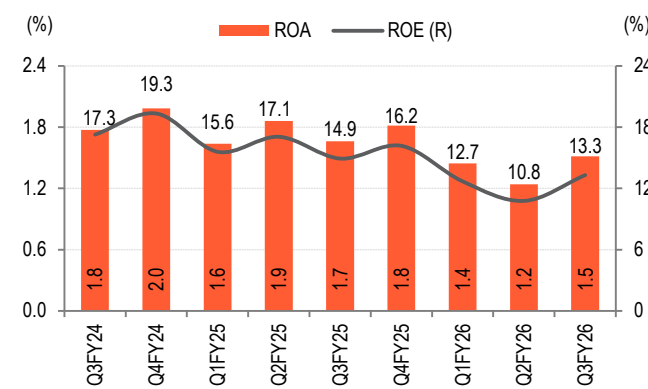
Source: Company, BOBCAPS Research

**Fig 15 – Net profit grew 3% YoY...**



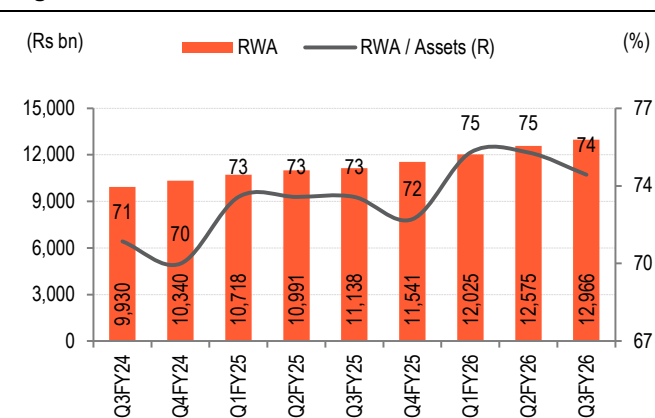
Source: Company, BOBCAPS Research

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



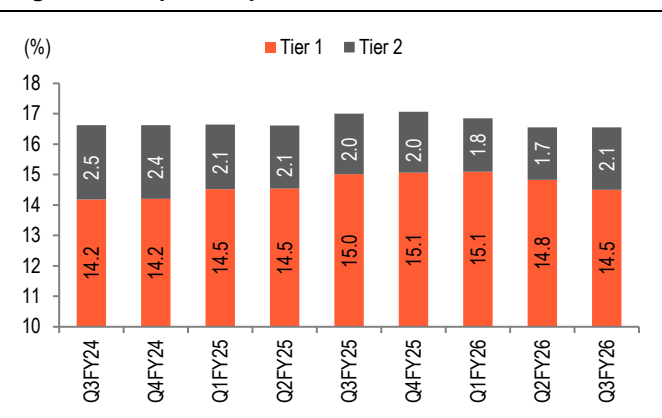
Source: Company, BOBCAPS Research

**Fig 17 – RWA increases to Rs 13Tn as of Q3FY26**



Source: Company, BOBCAPS Research

**Fig 18 – Adequate capital ratios**



Source: Company, BOBCAPS Research

## Earnings Call Highlights

### Advances

- Total advances grew **14% YoY / 4% QoQ** to **Rs 11,590 bn**, with a balanced mix of **56% retail, 32% corporate, and 12% CBG**. Management expects optimal loan mix to be **retail (58-60%), wholesale (23-25%) and rest being SME**.
- Management aims to **outgrow the industry by ~300 bps**, with portfolio rebalancing toward **58–60% retail** over the medium term.
- In retail, the bank remains selective, focusing on **credit-tested customers** and scaling segments within established guardrails.
- Retail Banking:** Loan book grew **6% YoY / 1% QoQ**, while **disbursements rose 20% YoY / 12% QoQ**, led by home loans, SBB, and LAP.
- For wholesale banking, the strategy is anchored around deeper ecosystem penetration and increasing customer stickiness vs merely chasing asset growth
- Corporate Banking:** The strongest performer with **27% YoY / 7% QoQ** growth; **90% of the book rated A– and above**, driven by power, corporate real estate, and conglomerates.
- SME & Mid-Corporate:** SME grew **22% YoY** and Mid-Corporate **31% YoY**; the combined segment now forms **24% of total loans**.
- Of the loan book, 73% is floating wherein 60% is linked to repo rate and 27% fixed rate. Further, 7% is linked to MCLR, 3% to other EBLR, 1% to the base rate and 2% to foreign currency- floating.

### Deposits

- Total deposits grew 15% YoY and 5% QoQ, CASA ratio declined 69bps QoQ to 39.1%.
- CA balances grew 20% YoY and 7% QoQ. Growth was driven by the deepening relationships with existing corporate and government clients through technology investments like the **Neo platform** and API-led cash management solutions.

- The bank shifted focus towards **premium-led sourcing** and persona-based acquisition for NTB customers, resulting in a **53% Y-o-Y increase** in the average balances maintained by these new customers.
- Management reiterated its intent to outpace the sector growth and expects credit–deposit growth to converge over the next 12–18 months, while maintaining LCR at 115–120%.

### Profitability

- NII stood at **Rs 143 bn**, up **5% YoY/ 4% QoQ**, supported by steady loan growth and fee momentum.
- NIM declined **9 bps QoQ to 3.64%**; management attributed this to **loan mix skew toward wholesale** and **lower incremental CASA**, partly offset by easing funding costs.
- Management **reiterated through-cycle NIM target of ~3.8%**, expressing confidence in normalisation as asset–liability repricing plays out, independent of the rate cycle.
- Staff expenses fell **7% YoY to Rs 27.7 bn**, owing to **~950 reduction in the headcount** and reversal of excess provisions.
- The bank continues to prudently provide for gratuity liability in anticipation of the Code for Social Security 2020, holding a cumulative provision of Rs 4.3bn as of Dec'25.

### Asset quality

- Management highlighted stable asset quality in Q3FY26, with declining NPA ratios, stabilising retail trends, and a continued improvement in wholesale book quality.
- **GNPA** declined **6 bps QoQ / YoY to 1.40%**, while **NNPA** improved **2 bps QoQ to 0.42%**, reflecting lower incremental stress.
- Gross slippages stood at **Rs 60.1 bn**, while **net slippages Rs 31.4 bn**, supported by steady recoveries and upgrades.
- PCR remained healthy at **70%**, with **aggregate coverage at 146% of GNPA**, underscoring a conservative provisioning stance.
- Management noted that **retail asset quality is stabilising**, with YoY improvement in gross and net slippages as well as credit costs across cards and non-card retail portfolios; early delinquency trends remain within internal guardrails.
- The wholesale book continued to perform strongly, with **negative net slippages of Rs 1.1 bn**, indicating that the upgrades and recoveries exceeded the fresh stress; **~90% of the corporate book remains rated A– and above**.
- Management reiterated that metrics, excluding **technical impact**, show the underlying asset quality strength, with **net credit cost at 0.63%**; these technical slippages are fully secured and not expected to result in economic loss.

- Management indicated improving **bounce rates, early delinquencies, and collection trends**, signalling enhanced portfolio resilience and expects **credit costs in the current cycle to be structurally lower** vs prior cycles.

### Capital

- Capital Adequacy Ratio (CAR) and CET1 ratio stood at 16.55% and 14.5% respectively at the end of Dec'25. Additionally, Rs 50.1bn of other provisions and Rs 12.3bn of one-time additional standard asset provision, are not considered for CAR calculation, providing a cushion of ~43 bps over the reported CAR.

### Network

- During the quarter, the bank added 134 branches, taking its overall distribution network to 6,110 domestic branches and will continue to invest in network building.
- Axis Virtual Centre is present across 8 centres with over ~1,582 Virtual Relationship Managers as of Dec'25.

## Subsidiary Performance

- Axis Finance**
  - Axis Finance reported 22% YoY growth in assets under finance, driven by strong momentum in the Retail + MSME book, up 30% YoY
  - Retail + MSME segments now account for 56% of the total book, up from 53% YoY, reflecting a continued shift toward granular assets.
  - Remains well capitalised with a Capital Adequacy Ratio of 19.9%.
  - Book quality remained strong, with net NPA at 0.36%, indicating limited stress.
  - 9MFY26 PAT stood at Rs 5.7 bn, up 12% YoY from Rs 5.1 bn in 9MFY25.
- Axis AMC**
  - Overall QAAUM grew 11% YoY to Rs 3,606bn.
  - 9MFY26 PAT stood at Rs 4.5 bn, up 20% YoY from Rs 3.8 bn in 9MFY25.
- Axis Capital**
  - 9MFY26 PAT stood at Rs 1.8 bn, up 20% YoY from Rs 1.5 bn.
  - The company completed 14 ECM & 3 Non- ECM transactions during Q3FY26.
- Axis Securities**
  - 9MFY26 revenues were Rs 11.2 bn, while PAT stood at Rs 2.7 bn; the customer base grew 17% YoY.



## Valuation Outlook

**Valuation Outlook:** With sustained business growth momentum resulting in an increase in return profile along with improvement in AQ, the bank is poised to deliver RoA/RoE of 1.9%/16.1% by FY28E. We upgrade to BUY from HOLD with revised SOTP-based TP of Rs 1,470 (earlier Rs 1,260), set at 1.6x Dec'27E ABV (from 1.5x earlier), with Rs 118/share as value of subsidiaries.

**Fig 19 – Actual vs Estimates**

(Rs mn)	Q3FY26A	Q3FY26E	Change (%)
Loans	1,15,90,517	1,15,76,177	0.1
Deposits	1,26,07,859	1,26,07,803	0.0
Assets	1,75,21,715	1,73,64,398	0.9
NII	1,42,866	1,40,982	1.3
PPOP	1,08,757	1,08,796	(0.0)
Provisions	22,459	27,644	(18.8)
PAT	64,896	61,026	6.3

Source: Company, BOBCAPS Research

**Fig 20 – Revised estimates**

Key Parameters (Rs mn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Loan	1,19,58,922	1,37,52,760	1,58,43,180	1,17,92,392	1,34,43,327	1,53,52,280	1.4	2.3	3.2
Deposits	1,33,59,924	1,52,97,112	1,75,91,679	1,30,78,415	1,48,30,923	1,69,07,252	2.2	3.1	4.0
Assets	1,80,13,894	2,04,55,452	2,34,79,313	1,77,87,330	2,02,94,150	2,31,31,288	1.3	0.8	1.5
NII	5,63,724	6,57,845	7,82,539	5,81,416	6,86,443	8,01,019	(3.0)	(4.2)	(2.3)
PPOP	4,49,611	5,50,142	6,55,987	4,51,690	5,39,822	6,28,842	(0.5)	1.9	4.3
Provision	1,19,664	1,07,989	1,02,643	1,18,773	1,05,990	99,201	0.8	1.9	3.5
PAT	2,49,111	3,30,730	4,13,902	2,51,353	3,24,507	3,96,172	(0.9)	1.9	4.5
ABV (Rs)	643	746	876	644	745	869	(0.2)	0.1	0.8

Source: Company, BOBCAPS Research

**Fig 21 – Key operational assumptions**

(%)	FY25	FY26E	FY27E	FY28E
Advances Growth	7.8	14.9	15.0	15.2
Net Interest Income Growth	8.9	3.7	16.7	19.0
PPoP Growth	13.4	6.8	22.4	19.2
PAT Growth	6.1	(5.5)	32.8	25.1
NIM	4.0	3.6	3.7	3.9
GNPA	1.4	1.4	1.4	1.4
CAR	17.1	17.0	17.2	17.5

Source: Company, BOBCAPS Research

**Fig 22 – Valuation summary**

Business	Valuation	Holdings (%)	Value (Rs/sh)
Axis Bank	1.6x Dec'27E ABV	100	1,352
Axis AMC	6% of AUM	75	42
Axis Finance	1.4x FY27E ABV	100	25
Axis Capital	15x FY27E EPS	100	10
Axis Securities	15x FY27E EPS	100	17
Max Life	1.8x FY27E P/EV	19	25
<b>Total</b>			<b>1,470</b>

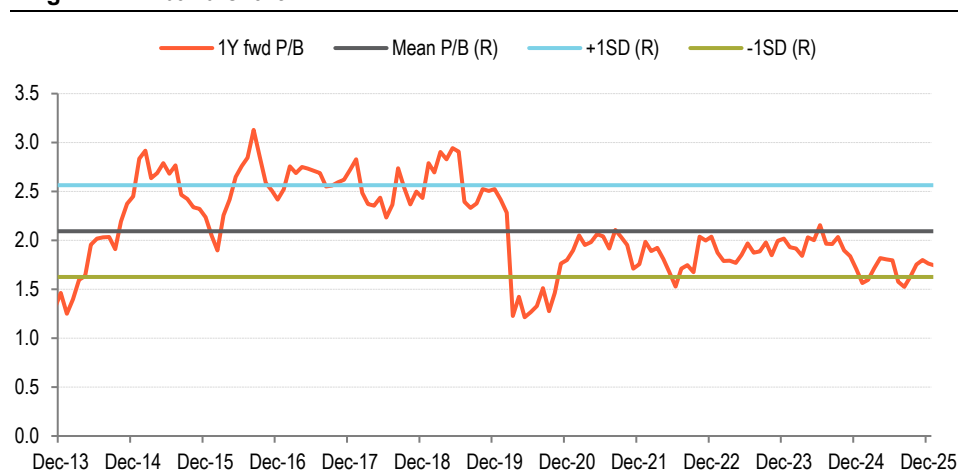
Source: Company, BOBCAPS Research

**Fig 23 – Key valuation assumptions**

Gordon growth model	Assumptions
Risk-free rate (%)	6.5
Equity risk premium (%)	5.5
Beta	1.3
Cost of equity (%)	13.4
Blended ROE (%)	16.4
Initial high growth period (yrs)	10.0
Payout ratio of high-growth phase (%)	15.0
Long-term growth (%)	3.3
Long term dividend payout ratio (%)	80.0
Justified P/BV Multiple (x)	1.6

Source: Company, BOBCAPS Research

**Fig 24 – PB band chart**



Source: Company, BOBCAPS Research

## Key Risks

Key downside risks to our estimates:

- 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 the overall profitability.

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	4,98,945	5,43,478	5,63,724	6,57,845	7,82,539
NII growth (%)	16.2	8.9	3.7	16.7	19.0
Non-interest income	2,24,420	2,52,571	2,76,432	3,33,722	3,71,249
Total income	7,23,364	7,96,049	8,40,156	9,91,567	11,53,787
Operating expenses	3,52,133	3,74,999	3,90,545	4,41,425	4,97,800
PPOP	3,71,232	4,21,049	4,49,611	5,50,142	6,55,987
PPOP growth (%)	87.6	13.4	6.8	22.4	19.2
Provisions	40,631	77,584	1,19,664	1,07,989	1,02,643
PBT	3,30,601	3,43,466	3,29,948	4,42,153	5,53,345
Tax	81,986	79,731	80,837	1,11,422	1,39,443
Reported net profit	2,48,614	2,63,735	2,49,111	3,30,730	4,13,902
Adjustments	0	0	0	0	0
Adjusted net profit	2,48,614	2,63,735	2,49,111	3,30,730	4,13,902

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity capital	6,173	6,195	6,210	6,210	6,210
Reserves & surplus	15,04,443	17,91,057	20,38,657	23,66,080	27,76,464
Net worth	15,10,616	17,97,251	20,44,867	23,72,290	27,82,674
Deposits	1,06,86,414	1,17,29,520	1,33,59,924	1,52,97,112	1,75,91,679
Borrowings	19,68,118	18,41,465	21,89,314	22,87,833	24,02,225
Other liab. & provisions	6,06,939	7,31,062	4,19,789	4,98,216	7,02,735
Total liab. & equities	1,47,72,086	1,60,99,299	1,80,13,894	2,04,55,452	2,34,79,313
Cash & bank balance	11,44,544	9,97,321	10,40,375	11,54,879	13,31,996
Investments	33,15,272	39,61,418	42,22,432	46,38,786	52,61,039
Advances	96,50,684	1,04,08,113	1,19,58,922	1,37,52,760	1,58,43,180
Fixed & Other assets	6,61,586	7,32,447	7,92,165	9,09,027	10,43,098
Total assets	1,47,72,086	1,60,99,299	1,80,13,894	2,04,55,452	2,34,79,313
Deposit growth (%)	12.9	9.8	13.9	14.5	15.0
Advances growth (%)	14.2	7.8	14.9	15.0	15.2

### Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	80.7	85.3	80.3	106.5	133.3
Dividend per share	1.0	1.0	1.0	1.1	1.1
Book value per share	489.4	580.3	658.6	764.0	896.2

### Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	15.6	14.7	15.7	11.8	9.4
P/BV	2.6	2.2	1.9	1.6	1.4
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	3.3	3.4	3.6
Non-interest income	1.6	1.6	1.6	1.7	1.7
Operating expenses	2.5	2.4	2.3	2.3	2.3
Pre-provisioning profit	2.7	2.7	2.6	2.9	3.0
Provisions	0.3	0.5	0.7	0.6	0.5
PBT	2.4	2.2	1.9	2.3	2.5
Tax	0.6	0.5	0.5	0.6	0.6
ROA	1.8	1.7	1.5	1.7	1.9
Leverage (x)	10.1	9.3	8.9	8.7	8.5
ROE	18.0	15.9	13.0	15.0	16.1

### Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Net interest income	16.2	8.9	3.7	16.7	19.0
Pre-provisioning profit	87.6	13.4	6.8	22.4	19.2
EPS	158.8	5.7	(5.8)	32.6	25.1
Profitability & Return ratios (%)					
Net interest margin	4.1	4.0	3.6	3.7	3.9
Fees / Avg. assets	40.2	40.9	40.5	43.4	42.3
Cost-Income	48.7	47.1	46.5	44.5	43.1
ROE	18.0	15.9	13.0	15.0	16.1
ROA	1.8	1.7	1.5	1.7	1.9
Asset quality (%)					
GNPA	1.5	1.4	1.4	1.4	1.4
NNPA	0.3	0.4	0.4	0.4	0.4
Slippage ratio	1.7	2.0	2.5	2.4	2.3
Credit cost	0.4	0.8	1.1	0.8	0.8
Provision coverage	78.3	74.3	69.7	71.7	72.7
Ratios (%)					
Credit-Deposit	90.3	88.7	89.5	89.9	90.1
Investment-Deposit	31.0	33.8	31.6	30.3	29.9
CAR	16.6	17.1	17.0	17.2	17.5
Tier-1	14.2	15.1	15.0	15.3	15.8

Source: Company, BOBCAPS Research

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