

ICICIBank: Financials Snapshot (INR b)

Y/E March	FY23	FY24E	FY25E
NII	621	744	845
OP	491	578	662
NP	319	408	455
NIM (%)	4.7	4.8	4.6
EPS (INR)	45.8	58.4	65.2
EPS Gr (%)	36.0	27.6	11.6
ABV/Sh (INR)	267	317	373
Cons. BV/Sh (INR)	306	365	435

Ratios

RoE (%)	17.5	19.0	18.1
RoA (%)	2.1	2.4	2.2

Valuations

P/BV (x) (Cons)	3.5	3.0	2.5
P/ABV (x)	3.3	2.8	2.3
P/E (x)	19.0	14.9	13.4

*Multiples adjusted for Subs

AXSB: Financials Snapshot (INR b)

Y/E March	FY23	FY24E	FY25E
NII	429.5	495.2	545.1
OP	321.4	358.0	407.2
NP	219.3	240.8	267.2
NIM (%)	3.7	3.7	3.6
EPS (INR)	71.4	78.2	86.6
EPS Gr. (%)	68.0	9.6	10.8
BV/Sh. (INR)	406	477	555
ABV/Sh. (INR)	388	458	535

Ratios

RoE (%)	18.2	17.7	16.8
RoA (%)	1.8	1.7	1.7

Valuations

P/E(X)	13.5	12.3	11.1
P/BV (X)	2.4	2.0	1.7
P/ABV (X)	2.5	2.1	1.8

Axis vs ICICI Bank: Revisiting performance gap over recent years

Estimate RoA gap to sustain at 40-50bp; maintain preference for ICICIBank

- ICICIBank has outperformed AXSB in four out of the past five fiscals, while on a cumulative basis, ICICI Bank's stock has outperformed AXSB by 143% over the past five years. We note that since our AXSB rating downgrade, ICICIBank has outperformed AXSB by ~11% in the past few months.
- We believe that owing to constraints on the CD ratio and challenges in garnering retail deposits, AXSB will continue to face pressure on its growth and margin profile, leading to a persistent RoA gap compared to ICICI Bank. In our estimates, we have already accounted for a growth differential of 200-300bp between the two banks.
- ICICI Bank's M-cap in Mar'19 was ~30% higher vs. Axis Bank with an absolute gap of ~INR580b. Five years later, in Mar'24, ICICI Bank's M-Cap is 136% higher vs. Axis Bank and absolute gap now stands at INR4.45t.
- AXSB is currently trading at a 1.5x FY26E ABV and while overall valuations look reasonable, the pressure on key operating metrics will limit stock performance in the near term.
- We continue to prefer ICICIBank on its steady return ratios and its ability to deliver superior growth. We thus estimate ICICIBank to deliver FY26E RoA/RoE of 2.2%/17.8% vs. AXSB RoA/RoE of 1.7%/17.1%.

ICICI has outperformed AXSB by 143% over the past five years; ~11% outperformance since our rating downgrade last quarter

We had earlier pitched AXSB as a stock of the year during Jan'23 ([Growth outlook gaining traction](#)) and subsequent to the healthy outperformance (~18% returns during CY23), we downgraded AXSB stock in Jan'24 ([Earnings in line; remain watchful on growth and NIMs](#)) on concerns around growth, margins, and lower return ratios with RoA gap between AXSB and ICICIBank sustaining at 40-50bp. We thus note that since our AXSB rating downgrade, ICICIBank has outperformed AXSB by ~11% and while AXSB's valuation multiple looks reasonable, the overhang on key operating metrics and weaker profitability will limit any meaningful stock return over the near term.

ICICI has outperformed AXSB in four out of past five fiscals

ICICIBank's market cap has registered a CAGR of 24% over FY19-24 vs. 10% witnessed by AXSB. This has been enabled by robust 65% earnings CAGR over FY19-24E vs. 39% CAGR for AXSB over a similar period. ICICIBank's market cap over the past five years has thus grown at 198% vs 63% for AXSB. However, given multiple capital raises at AXSB vs. ICICI, we believe that comparison on stock returns is more appropriate where ICICIBank has outperformed AXSB by 143% during FY19-24 with the bank outperforming in four out of the past five years. We estimate ICICI bank to deliver 13% earnings CAGR over FY24-26E, resulting in RoA of ~2.2% over FY24-26E vs. estimated RoA of ~1.7% for AXSB over a similar period.

Elevated CD ratio of AXSB to constrain growth; estimate ICICIBank to maintain steady ~18% loan CAGR over FY24-26E

ICICIBank has been delivering a steady loan CAGR of 18% over FY21-24E, while AXSB has reported a loan CAGR of 17% over a similar period. We note that ICICIBank is well positioned in terms of its liability profile with a healthy mix of CASA and retail

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deposits. Additionally, the domestic credit-deposit ratio for the bank also remains in control at ~85% vs ~93% for AXSB. We believe that this will significantly impede AXSB's growth prospects. We have already factored in a growth differential of 200-300bp between the two banks.

AXSB's margin profile to remain weak vs. ICICI Bank

ICICIB has consistently delivered superior NII growth vs. AXSB over the past three years, led by robust margins and healthy business growth. NIMs for ICICIB has remained in the range of 4.4-4.5% vs ~4.0% for AXSB. Margin profile for AXSB has been weaker due to higher funding costs, presence of RIDF bonds, lower capitalization levels and relatively lower mix of Retail loans. During 3QFY24, both AXSB and ICICIB reported 10bp QoQ decline in margins to 4.0%/4.4%, respectively, as AXSB's Cost of funds has increased to 5.4% in 3QFY24 vs 5.0% for ICICIB. We believe that owing to constraints on CD ratio and challenges in garnering retail deposits, the margin profile for AXSB will remain under pressure despite lower NIM base.

High opex ratios for AXSB further remains a drag on profitability

ICICIB has been consistently strengthening its digital capabilities and has been gaining market share while effectively managing its cost-ratios. However, Opex for AXSB continues to remain elevated with C/I ratio sustaining at ~50%, while cost-assets ratio also increased to 2.5% in 3QFY24. With continued investments in branches and digital innovation, we expect AXSB's cost-ratios to remain elevated, thus limiting any meaningful reduction in RoA gap vs that of ICICI Bank.

Asset quality robust; expect credit cost to sustain at similar levels for both

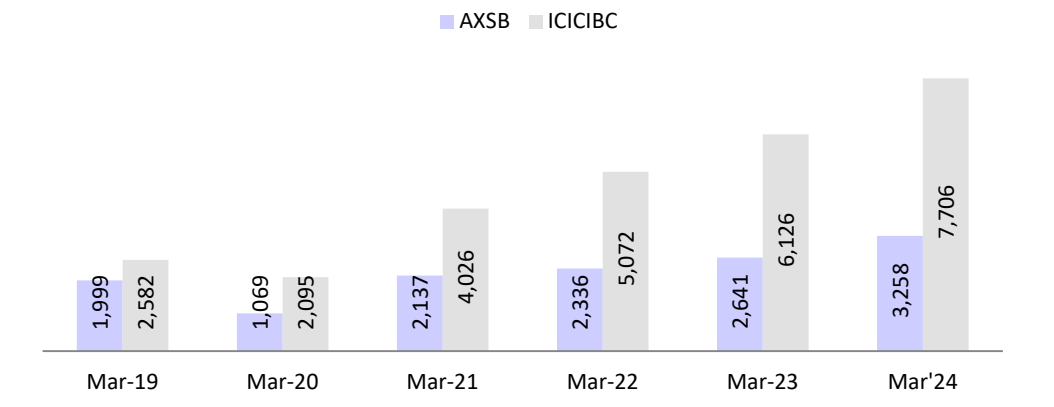
ICICIB has made significant progress toward improving its asset quality, with the best in class PCR of ~81%, which coupled with contingent provisions of ~INR131b (1.1% of loans), will keep credit cost benign. Through aggressive investments in technology, ICICIB has leveraged analytics and digital capabilities to formulate early delinquency models, aiding the bank in maintaining control over slippages. We thus expect NNPA to fall to 0.4% by FY26E- similar to AXSB, while credit costs are expected to sustain at ~50bp over FY26E vs ~60bp for AXSB.

Valuation and View

ICICIB has been delivering industry leading RoA with the same being ~50bp higher than AXSB over the past few years. AXSB's elevated CD ratio will constrain credit growth, while continued re-pricing of deposits will likely exert pressure on margins in the coming quarters as well. The capitalization level for ICICIB remains strong with a Tier-I ratio of 16%, which will enable healthy growth trajectory, while healthy accretion of retail deposits will be a key growth enabler. We thus estimate ICICIB's loan book to register a CAGR of ~18% over FY24-26E vs. 16% for AXSB. Also, while ICICIB is positioned well to benefit from operating leverage and grow the business on the back of strong technological investments, AXSB has been in an investment mode, which will thus keep the difference in cost-ratios of the two banks elevated. AXSB is currently trading at a 1.5x FY26E ABV and while the overall valuations look reasonable, the pressure on key operating metrics will limit stock performance in the near term and we continue to prefer ICICIB on steady return ratios and ability to deliver superior growth. We thus estimate ICICIB to deliver FY26E RoA/RoE of 2.2%/17.8% vs. AXSB RoA/RoE of 1.7%/17.1%.

Exhibit 1: Trend in market cap of ICICIBC vs. AXSB since FY19, INRb

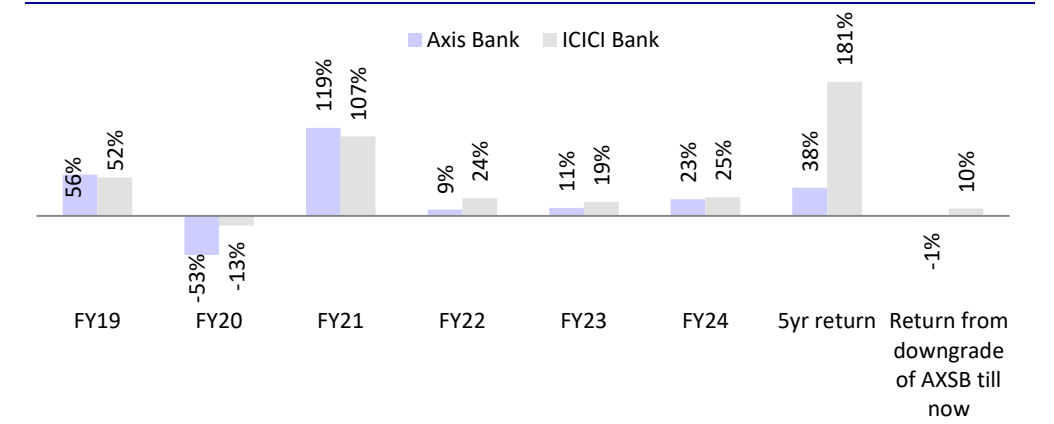
ICICIBC has reported m-cap CAGR of 24% over FY19-24 vs. Axis bank reporting 10% CAGR



Source: MOFSL, Company

Exhibit 2: ICICIBC stock has outperformed AXSB by ~143% over the past five years

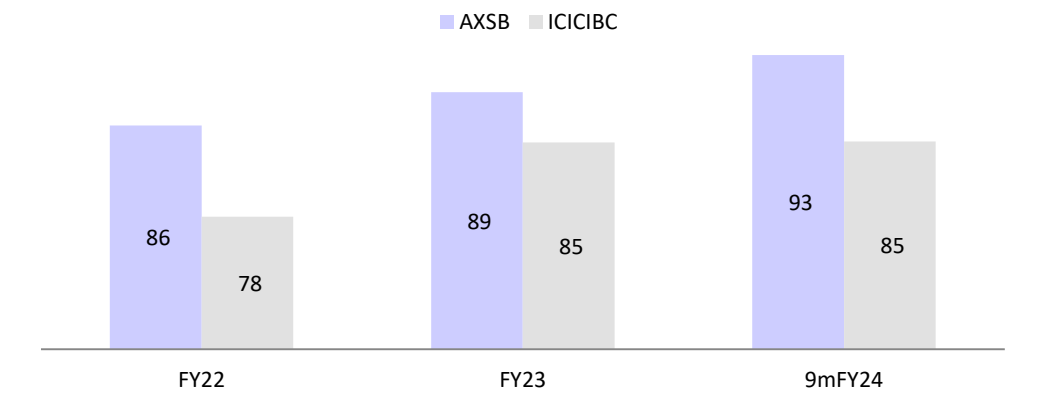
Since our AXSB rating downgrade, ICICIBC has outperformed AXSB by ~11% over the past few months



Source: MOFSL, Company

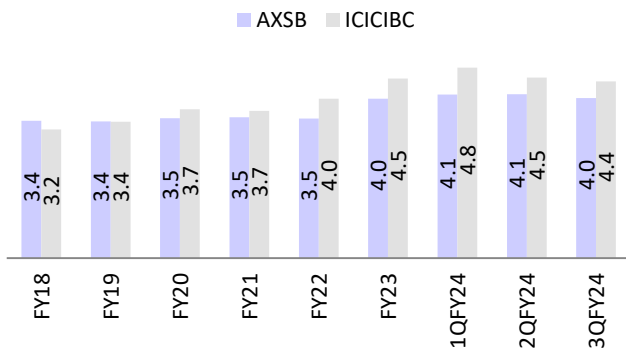
Exhibit 3: CD ratio of ICICIBC stands comfortable at ~85% (domestic) vs. 93% for Axis bank

AXSB's elevated CD ratio will constrain credit growth, while continued re-pricing of deposits will likely exert pressure on margins in the coming quarters.



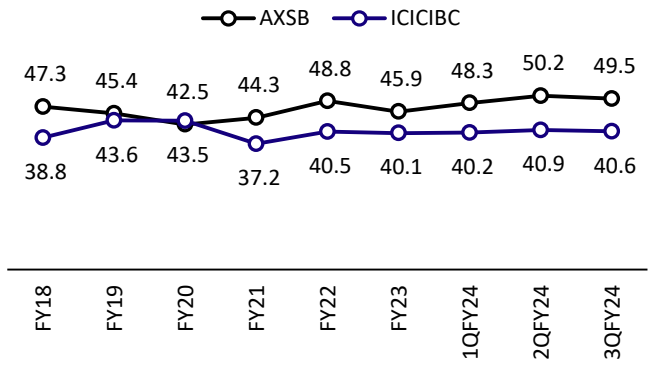
Source: MOFSL, Company

Exhibit 4: AXSB's margin profile has been weaker than that of ICICI Bank



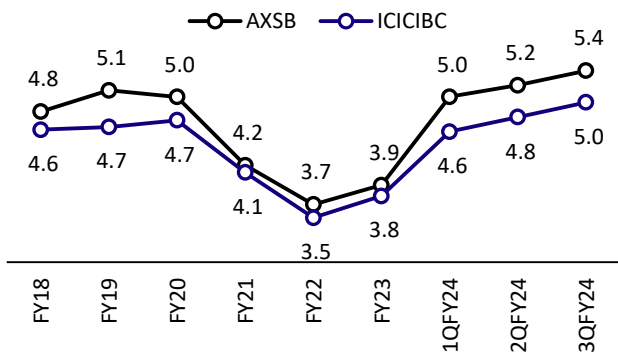
Source: Company, MOFSL

Exhibit 5: Higher cost-income ratio of AXSB further drags profitability



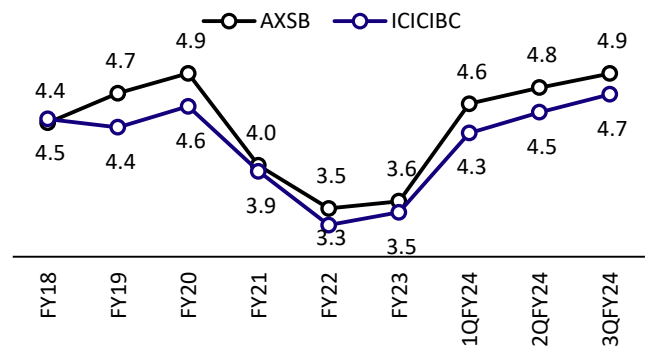
Source: Company, MOFSL

Exhibit 6: AXSB's cost of funds stands 40bp higher than that of ICICI



Source: Company, MOFSL

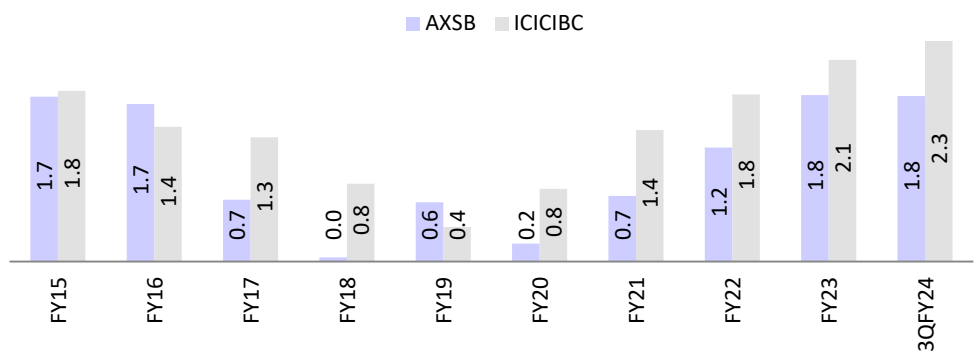
Exhibit 7: AXSB's cost of deposits also is ~20bp higher than that of ICICI



Source: Company, MOFSL

Exhibit 8: RoA for ICICI Bank stands at 2.3% vs. 1.8% for AXSB in 3QFY24

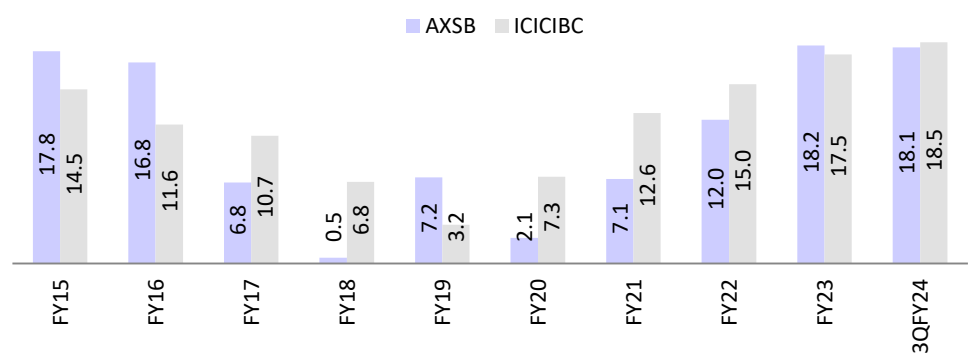
ICICI Bank has been delivering industry leading RoA with the same being 40-70bp higher than AXSB over the past three years



Source: MOFSL, Company

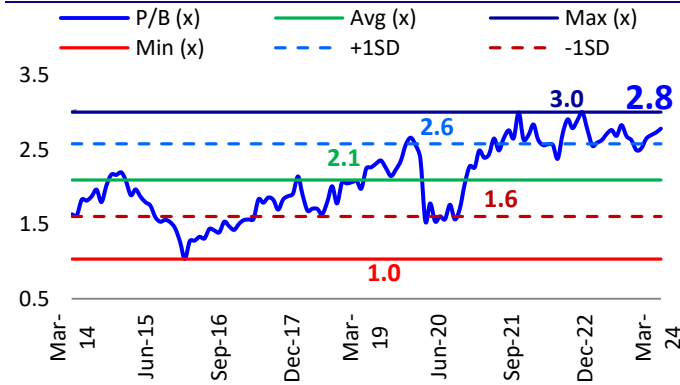
Exhibit 9: RoE for ICICI Bank stands at 18.5% vs 18.1% for AXSB in 3QFY24

We estimate ICICI Bank to deliver FY26E RoA/RoE of 2.2%/17.8% vs AXSB RoA/RoE of 1.7%/17.1%.



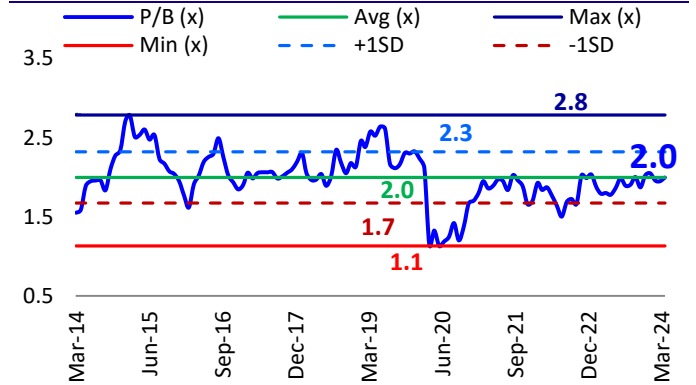
Source: MOFSL, Company

Exhibit 10: One-year forward P/B of ICICI Bank



Source: Company, MOFSL

Exhibit 11: One-year forward P/B of Axis Bank



Source: Company, MOFSL

Exhibit 12: DuPont Analysis of ICICI Bank: Estimate return ratios to remain steady

Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	7.25	6.79	6.54	7.29	8.23	8.12	7.95
Interest Expense	4.03	3.45	2.95	3.14	3.91	3.95	3.84
Net Interest Income	3.23	3.35	3.59	4.15	4.32	4.17	4.11
Core Fee Income	1.28	1.27	1.04	1.19	1.15	1.16	1.17
Trading and others	0.32	0.36	0.36	0.13	0.22	0.21	0.21
Non Interest income	1.59	1.63	1.40	1.32	1.36	1.37	1.38
Total Income	4.82	4.98	5.00	5.47	5.68	5.54	5.49
Operating Expenses	2.10	1.85	2.02	2.19	2.32	2.28	2.23
Employee cost	0.80	0.69	0.73	0.81	0.86	0.84	0.81
Others	1.29	1.16	1.29	1.39	1.46	1.44	1.42
Operating Profits	2.72	3.13	2.97	3.28	3.35	3.27	3.26
Core operating Profits	2.41	2.77	2.61	3.14	3.14	3.06	3.04
Provisions	1.36	1.39	0.65	0.45	0.21	0.28	0.32
NPA	0.85	0.93	0.47	-0.04	0.17	0.25	0.29
Others	0.51	0.47	0.19	0.49	0.03	0.03	0.03
PBT	1.36	1.73	2.32	2.83	3.15	2.99	2.93
Tax	0.59	0.34	0.55	0.70	0.78	0.74	0.73
RoA	0.77	1.39	1.77	2.13	2.37	2.25	2.21
Leverage	9.4	9.0	8.5	8.2	8.0	8.1	8.1
RoE	7.3	12.6	15.0	17.5	19.0	18.1	17.8
Core RoE	8.0	13.6	15.9	18.4	19.8	18.7	18.3

Exhibit 13: DuPont Analysis of Axis Bank: Estimate RoA to trail ICICI by 40-50bp over FY24-26E

Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	7.30	6.66	6.23	6.83	8.06	8.07	8.01
Interest Expense	4.36	3.59	3.17	3.39	4.52	4.64	4.51
Net Interest Income	2.94	3.07	3.06	3.45	3.53	3.43	3.50
Fee income	1.56	1.19	1.28	1.35	1.55	1.62	1.67
Trading and others	0.25	0.10	0.13	-0.02	-0.02	-0.02	-0.03
Non-Interest income	1.81	1.29	1.41	1.32	1.53	1.59	1.64
Total Income	4.75	4.36	4.47	4.77	5.07	5.02	5.13
Operating Expenses	2.02	1.93	2.18	2.19	2.51	2.46	2.41
Employee cost	0.62	0.65	0.70	0.70	0.77	0.76	0.74
Others	1.40	1.28	1.48	1.49	1.74	1.70	1.67
Operating Profit	2.73	2.43	2.29	2.58	2.56	2.56	2.72
Core Operating Profit	2.48	2.33	2.16	2.60	2.58	2.59	2.75
Provisions	2.16	1.51	0.68	0.23	0.26	0.32	0.40
NPA	1.49	1.15	0.48	0.27	0.25	0.30	0.37
Others	0.67	0.35	0.20	-0.04	0.01	0.02	0.03
PBT	0.57	0.93	1.61	2.35	2.30	2.24	2.33
Tax	0.38	0.23	0.40	0.59	0.58	0.56	0.59
RoA	0.19	0.69	1.20	1.76	1.72	1.68	1.74
Leverage (x)	11.3	10.2	10.0	10.4	10.3	10.0	9.8
RoE	2.1	7.1	12.0	18.3	17.7	16.8	17.1

ICICI Bank: Financials and valuations

Income Statement							(INR b)
Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	748.0	791.2	863.7	1,092.3	1,418.6	1,643.6	1,887.0
Interest Expended	415.3	401.3	389.1	471.0	674.7	798.8	911.9
Net Interest Income	332.7	389.9	474.7	621.3	743.9	844.8	975.1
Growth (%)	23.1	17.2	21.7	30.9	19.7	13.6	15.4
Other Income	164.5	189.7	185.2	198.3	235.0	277.3	327.2
Total Income	497.2	579.6	659.8	819.6	978.9	1,122.1	1,302.4
Growth (%)	19.7	16.6	13.8	24.2	19.4	14.6	16.1
Operating Exp.	216.1	215.6	267.3	328.7	400.8	460.6	529.4
Operating Profits	281.0	364.0	392.5	490.9	578.1	661.5	773.0
Growth (%)	19.9	29.5	7.8	25.1	17.8	14.4	16.8
Core PPOp	264.6	312.2	385.5	490.4	577.6	661.0	772.3
Growth (%)	19.7	18.0	23.5	27.2	17.8	14.4	16.9
Provisions	140.5	162.1	86.4	66.7	35.4	55.9	76.6
PBT	140.5	201.8	306.1	424.2	542.7	605.6	696.3
Tax	61.2	39.9	72.7	105.2	134.6	150.2	172.7
Tax Rate (%)	43.5	19.8	23.7	24.8	24.8	24.8	24.8
PAT	79.3	161.9	233.4	319.0	408.1	455.4	523.6
Growth (%)	135.8	104.2	44.1	36.7	27.9	11.6	15.0

Balance Sheet

Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	12.9	13.8	13.9	14.0	14.0	14.0	14.0
Reserves & Surplus	1,152.1	1,461.2	1,688.6	1,985.6	2,334.3	2,726.8	3,184.1
Net Worth	1,165.0	1,475.1	1,702.5	1,999.5	2,348.3	2,740.8	3,198.1
Deposits	7,709.7	9,325.2	10,645.7	11,808.4	13,863.1	16,289.1	19,139.7
Growth (%)	18.1	21.0	14.2	10.9	17.4	17.5	17.5
- CASA Deposits	3,478.2	4,316.2	5,184.4	5,412.6	5,614.5	6,711.1	7,923.8
Growth (%)	7.4	24.1	20.1	4.4	3.7	19.5	18.1
Borrowings	1,629.0	916.3	1,072.3	1,193.3	1,393.1	1,602.8	1,846.0
Other Liabilities & Prov.	479.9	587.7	689.8	833.3	1,033.2	1,219.2	1,438.7
Total Liabilities	10,983.6	12,304.3	14,110.3	15,834.5	18,637.7	21,851.9	25,622.5
Current Assets	1,191.6	1,331.3	1,678.2	1,194.4	1,399.2	1,538.8	1,715.7
Investments	2,495.3	2,812.9	3,102.4	3,623.3	4,275.5	5,045.1	5,902.7
Growth (%)	20.1	12.7	10.3	16.8	18.0	18.0	17.0
Loans	6,452.9	7,337.3	8,590.2	10,196.4	12,011.3	14,113.3	16,611.4
Growth (%)	10.0	13.7	17.1	18.7	17.8	17.5	17.7
Net Fixed Assets	84.1	88.8	93.7	96.0	103.7	112.0	120.9
Other Assets	759.8	734.1	648.4	732.0	848.0	1,042.8	1,271.7
Total Assets	10,983.7	12,304.3	14,113.0	15,842.1	18,637.7	21,851.9	25,622.5

Asset Quality

GNPA	414.5	414.6	332.9	299.9	282.9	317.8	370.8
NNPA	100.5	92.5	64.4	51.5	50.8	59.4	72.6
GNPA Ratio (%)	6.1	5.4	3.8	2.9	2.3	2.2	2.2
NNPA Ratio (%)	1.6	1.3	0.8	0.5	0.4	0.4	0.4
Slippage Ratio (%)	2.2	2.3	2.4	1.9	1.9	2.0	2.0
Credit Cost (%)	2.3	2.4	1.1	0.7	0.3	0.4	0.5
PCR (Excl Technical write off) (%)	75.7	77.7	80.6	82.8	82.0	81.3	80.4

E: MOFSL Estimates

ICICI Bank: Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Yielded and Cost Ratios (%)							
Avg. Yield - Earning Assets	8.2	7.6	7.4	8.2	9.1	8.9	8.7
Avg. Yield on loans	9.3	8.3	8.0	8.9	9.9	9.7	9.4
Avg. Yield on Investments	6.4	6.2	5.5	6.2	7.1	7.1	7.0
Avg. Cost-Int. Bear. Liab.	4.7	4.1	3.5	3.8	4.8	4.8	4.7
Avg. Cost of Deposits	4.6	3.9	3.3	3.5	4.6	4.7	4.5
Interest Spread	3.5	3.5	3.9	4.4	4.3	4.1	4.0
Net Interest Margin	3.7	3.7	4.1	4.7	4.8	4.6	4.5

Capitalisation Ratios (%)

CAR	15.8	18.9	18.9	18.3	18.8	18.5	18.2
CET-1	13.4	16.8	17.6	17.1			
<i>Tier I</i>	<i>14.4</i>	<i>17.8</i>	<i>18.0</i>	<i>17.6</i>	<i>17.6</i>	<i>17.5</i>	<i>17.4</i>
<i>Tier II</i>	<i>1.4</i>	<i>1.1</i>	<i>0.9</i>	<i>0.7</i>	<i>1.1</i>	<i>1.0</i>	<i>0.9</i>

Business and Efficiency Ratios (%)

Loan/Deposit Ratio	83.7	78.7	80.7	86.3	86.6	86.6	86.8
CASA Ratio %	45.1	46.3	48.7	45.8	40.5	41.2	41.4
Cost/Assets	2.0	1.8	1.9	2.1	2.2	2.1	2.1
Cost/Total Income	43.5	37.2	40.5	40.1	40.9	41.0	40.6
Cost/Core Income	45.0	40.8	41.0	40.1	41.0	41.1	40.7
Int. Expended/Int.Earned	55.5	50.7	45.0	43.1	47.6	48.6	48.3
Other Inc./Net Income	33.1	32.7	28.1	24.2	24.0	24.7	25.1
Empl. Cost/Op. Exps.	38.3	37.5	36.2	36.7	37.0	36.7	36.4
Business per Employee (INR m)	145.5	170.9	186.7	170.6	182.3	194.7	208.2
Profit per Employee (INR m)	0.8	1.7	2.3	2.5	2.9	2.9	3.0
Invest./Deposit Ratio	32.4	30.2	29.1	30.7	30.8	31.0	30.8
G-Sec/Invest. Ratio	76.6	81.3	86.1	85.6	85.6	85.6	85.6

Valuation

	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
RoE (%)	7.3	12.6	15.0	17.5	19.0	18.1	17.8
Core RoE (%)	8.0	13.6	15.9	18.4	19.8	18.7	18.3
RoA (%)	0.8	1.4	1.8	2.1	2.4	2.2	2.2
RoRWA (%)	1.0	1.9	2.6	3.1	3.5	3.3	3.2
Book Value (INR)	177.3	210.8	242.8	285.0	333.8	390.0	455.5
BV Growth (%)	7.1	18.9	15.2	17.4	17.1	16.8	16.8
Price-BV (x)	5.0	4.2	3.6	3.1	2.6	2.3	1.9
Adjusted Book Value	151.3	187.3	224.0	267.1	316.7	372.6	437.4
ABV Growth (%)	11.6	23.8	19.6	19.3	18.5	17.7	17.4
Adjusted Price-ABV (x)	5.8	4.7	3.9	3.3	2.8	2.4	2.0
Consol Book Value (INR)	190	228	262	306	365	435	506
BV Growth (%)	7.2	19.9	15.0	16.8	19.2	19.4	16.2
Price-Consol BV (x)	5.7	4.8	4.1	3.5	3.0	2.5	2.1
EPS (INR)	12.3	24.2	33.7	45.8	58.4	65.2	75.0
EPS Growth (%)	135.0	97.0	39.2	36.0	27.6	11.6	15.0
Price-Earnings (x)	88.3	44.8	32.2	23.7	18.6	16.6	14.5
Adj. Price-Earnings (x)	71.6	36.3	26.1	19.2	15.0	13.5	11.7
Dividend Per Share (INR)	1.0	0.0	2.0	5.0	8.5	9.0	9.5
Dividend Yield (%)	0.1	0.0	0.2	0.5	0.8	0.8	0.9

E: MOFSL Estimates

Axis Bank: Financials and valuations

Income Statement							(INRb)
Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Interest Income	626.4	633.5	673.8	851.6	1,128.7	1,283.6	1,459.4
Interest Expense	374.3	341.1	342.4	422.2	633.5	738.5	822.5
Net Interest Income	252.1	292.4	331.3	429.5	495.2	545.1	636.9
Growth (%)	16.1	16.0	13.3	29.6	15.3	10.1	16.8
Non Interest Income	155.4	122.6	152.2	165.0	214.5	253.1	298.7
Total Income	407.4	415.0	483.5	594.5	709.8	798.2	935.6
Growth (%)	16.9	1.9	16.5	22.9	19.4	12.5	17.2
Operating Expenses	173.0	183.8	236.1	273.0	351.7	391.0	439.5
Pre Provision Profits	234.4	231.3	247.4	321.4	358.0	407.2	496.1
Growth (%)	23.3	(1.3)	7.0	29.9	11.4	13.7	21.8
Core PPOP	212.7	221.5	233.6	324.2	361.3	411.2	500.8
Growth (%)	16.5	4.2	5.5	38.8	11.5	13.8	21.8
Provisions	185.3	143.2	73.6	28.8	36.1	51.0	72.2
PBT	49.0	88.1	173.8	292.6	322.0	356.2	423.8
Tax	32.8	22.2	43.6	73.3	81.1	89.1	106.8
Tax Rate (%)	66.8	25.2	25.1	25.0	25.2	25.0	25.2
Extraordinary expense	-	-	-	123.5	-	-	-
PAT	16.3	65.9	130.3	95.8	240.8	267.2	317.0
Growth (%)	(65.2)	304.9	97.7	(26.5)	151.4	10.9	18.7
Balance Sheet							
Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	5.6	6.1	6.1	6.2	6.2	6.2	6.2
Reserves & Surplus	843.8	1,009.9	1,144.1	1,243.8	1,463.4	1,705.7	1,997.9
Net Worth	849.5	1,016.0	1,150.3	1,249.9	1,469.5	1,711.9	2,004.1
Deposits	6,401.0	6,979.9	8,219.7	9,469.5	10,776.2	12,554.3	14,713.7
Growth (%)	16.7	9.0	17.8	15.2	13.8	16.5	17.2
of which CASA Dep	2,637.1	3,177.5	3,700.1	4,465.4	4,515.2	5,448.6	6,459.3
Growth (%)	8.3	20.5	16.4	20.7	1.1	20.7	18.6
Borrowings	1,479.5	1,428.7	1,851.3	1,863.0	1,957.7	1,996.1	2,013.3
Other Liabilities & Prov.	421.6	443.4	531.5	586.6	645.3	696.9	752.7
Total Liabilities	9,151.6	9,868.0	11,752.8	13,169.0	14,848.7	16,959.3	19,483.7
Current Assets	972.7	617.3	1,109.9	1,064.1	1,044.2	1,134.9	1,237.8
Investments	1,567.3	2,261.2	2,756.0	2,888.1	3,292.5	3,786.4	4,354.3
Growth (%)	-10.4	44.3	21.9	4.8	14.0	15.0	15.0
Loans	5,714.2	6,144.0	7,079.5	8,453.0	9,771.7	11,257.0	13,058.1
Growth (%)	15.5	7.5	15.2	19.4	15.6	15.2	16.0
Fixed Assets	43.1	42.5	45.7	47.3	56.8	62.5	68.7
Other Assets	854.3	803.0	763.3	720.6	683.6	718.5	764.7
Total Assets	9,151.6	9,868.0	11,754.3	13,173.3	14,848.7	16,959.3	19,483.7
Asset Quality							
	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
GNPA	302.3	253.1	218.2	186.0	158.6	192.4	219.9
NNPA	93.6	70.6	56.1	37.2	36.4	43.6	49.2
Slippages	199.2	172.5	201.1	146.5	154.9	189.3	223.7
GNPA Ratio	5.1	4.0	3.0	2.2	1.6	1.7	1.7
NNPA Ratio	1.6	1.1	0.8	0.4	0.4	0.4	0.4
Slippage Ratio	3.7	2.9	3.0	1.9	1.7	1.8	1.8
Credit Cost	2.4	1.8	0.8	0.4	0.4	0.5	0.6
PCR (Excl Tech. write off)	69.0	72.1	74.3	80.0	77.0	77.3	77.6

E: MOFSL Estimates

Axis Bank: Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Yield and Cost Ratios (%)							
Avg. Yield-Earning Assets	8.0	7.3	6.7	7.3	8.5	8.5	8.4
Avg. Yield on loans	9.1	8.0	7.5	8.3	9.8	9.6	9.5
Avg. Yield on Investments	6.9	6.7	5.9	6.5	6.8	6.8	6.8
Avg. Cost-Int. Bear. Liab.	5.0	4.2	3.7	3.9	5.3	5.4	5.3
Avg. Cost of Deposits	4.9	4.0	3.5	3.6	4.9	5.1	5.0
Avg. Cost of Borrowings	5.4	5.2	4.6	5.6	7.2	7.3	7.1
Interest Spread	3.0	3.1	3.0	3.3	3.2	3.1	3.1
Net Interest Margin	3.2	3.4	3.3	3.7	3.7	3.6	3.7

Capitalization Ratios (%)

CAR	17.6	19.2	18.5	17.6	17.3	16.8	16.3
Tier I	14.6	16.6	16.4	14.6	14.7	14.6	14.5
Tier II	3.0	2.6	2.1	3.1	2.5	2.2	1.8
CET-1	13.3	15.4	15.2	14.0			

Business and Efficiency Ratios (%)

Loans/Deposit Ratio	89.3	88.0	86.1	89.3	90.7	89.7	88.7
CASA Ratio	41.2	45.5	45.0	47.2	41.9	43.4	43.9
Cost/Avg Assets	2.0	1.9	2.2	2.2	2.5	2.5	2.4
Cost/Total Income	42.5	44.3	48.8	45.9	49.6	49.0	47.0
Cost/Core Income	44.9	45.3	50.3	45.7	49.3	48.7	46.7
Int. Expense/Int.Income	59.8	53.8	50.8	49.6	56.1	57.5	56.4
Fee Income/Total Income	28.9	23.4	24.7	25.2	26.6	28.0	28.3
Non Int. Inc./Total Income	38.1	29.5	31.5	27.8	30.2	31.7	31.9
Empl. Cost/Total Expense	30.7	33.5	32.2	32.1	30.6	30.9	30.8
Business per Employee (INR m)	163.4	167.6	178.3	195.0	205.1	216.1	233.4
Profit per Employee (INR m)	0.2	0.8	1.5	2.4	2.4	2.4	2.7
Investment/Deposit Ratio	24.5	32.4	33.5	30.5	30.6	30.2	29.6
G-Sec/Investment Ratio	80.4	81.5	81.6	78.9	78.9	78.9	78.9

Profitability Ratios and Valuation

RoE	2.1	7.1	12.0	18.2	17.7	16.8	17.1
RoA	0.2	0.7	1.2	1.8	1.7	1.7	1.7
RoRWA	0.3	1.0	1.7	2.5	2.3	2.2	2.2
Book Value (INR)	301.1	331.6	375.2	406.2	476.5	555.1	649.9
Growth (%)	16.1	10.2	13.1	8.3	17.3	16.5	17.1
Price-BV (x)	3.3	3.0	2.6	2.4	2.1	1.8	1.5
Adjusted BV (INR)	269.7	308.0	354.1	388.2	458.5	535.1	628.3
Price-ABV (x)	3.7	3.2	2.8	2.5	2.2	1.8	1.6
EPS (INR)	6.0	22.4	42.5	71.4	78.2	86.6	102.8
Growth (%)	-66.9	271.0	89.7	68.0	9.6	10.8	18.7
Price-Earnings (x)	163.9	44.2	23.3	13.9	12.7	11.4	9.6
Dividend Per Share (INR)	1.0	0.0	1.0	1.0	6.9	8.1	8.1
Dividend Yield (%)	0.1	0.0	0.1	0.1	0.6	0.7	0.7

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