

Axis Bank delivered sector-beating credit growth of 18.5%, while margins stabilized at 3.6% after 4 quarters of decline. Asset quality improved further, with the GNPA ratio declining 17bps QoQ to 1.23%, led by lower slippages, but the bank prudently set aside Rs20bn in provisions to absorb any asset quality impact from business disruptions linked to the ongoing West Asia conflict. This led to nearly in-line PAT of Rs70.7bn and RoA of 1.6%. The management expects growth momentum to remain healthy in FY27 but refrain from any quantifiable growth guidance amid current geopolitical uncertainties. We expect margin recovery in FY27E (mainly in 2H) led by lower funding costs, which, coupled with lower credit costs, should drive up RoAs to 1.6-1.8% over FY27-29E from 1.4% in FY26. The stock is currently trading at cheap valuations of 1.5x FY28E ABV. Hence, we retain BUY on Axis with an 8% upward revision in TP to Rs1,600 from Rs1,475, rolling forward the standalone bank valuations on 1.7x FY28E ABV and subs at Rs137/sh.

#### System and peers beating growth; stable sequential margin

AXSB delivered industry-leading credit growth of 18.5% YoY/6.4% QoQ, driven by strong momentum in corporate (+38% YoY) and SME (+24% YoY) segments, while retail growth improved gradually to 8% YoY. The management stated that its wholesale strategy remains unchanged, emphasizing selective, quality-led growth over volume expansion, with incremental lending focused on cyclical and macro-favored sectors such as power, CRE, data centers, NBFCs, and manufacturing. NIM was stable at 3.62% due to gradual deposit repricing, while the management expects it to recover to the 3.8% through-cycle target over 15-18 months following full rate transmission.

#### Easing slippages drive GNPA improvement; one-off provision built as buffer

Gross slippages declined sharply to Rs47bn (1.8% of loans), led by lower agri slippages; however, higher recoveries and write-offs drove a 17bps QoQ improvement in GNPA to 1.2%. Slippages ex-technical NPAs remain low at 1.2% of loans. The bank also created a one-time Rs20bn standard asset provision in Q4 against a stress-tested loan pool as a buffer for macro and geopolitical risks, which can be utilized in FY27 if any stress, including from West Asia, materializes.

#### We retain BUY with a revised-up TP of Rs1,600

We expect margin recovery in FY27E (mainly in 2H) led by lower funding costs, which, coupled with lower credit costs, should drive up RoAs to 1.6-1.8% over FY27-29E from 1.4% in FY26. The stock currently trades at cheap valuations of 1.5x FY28E ABV. Hence, we retain BUY on Axis with an upward revision in TP by 8% to Rs1,600, rolling forward the standalone bank valuation on 1.7x FY28E ABV and subs at Rs137/sh. Key risks: macro dislocation, delay in unsecured retail NPA stress moderation, KMP attrition.

Target Price – 12M	Mar-27
Change in TP (%)	8.5
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	17.1

Stock Data	AXSB IN
52-week High (Rs)	1,418
52-week Low (Rs)	1,041
Shares outstanding (mn)	3,108.4
Market-cap (Rs bn)	4,246
Market-cap (USD mn)	45,046
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	6.6
ADTV-3M (Rs mn)	10,465.2
ADTV-3M (USD mn)	111.0
Free float (%)	90.0
Nifty-50	23,897.9
INR/USD	94.3

#### Shareholding, Mar-26

Promoters (%)	7.9
FPIs/MFs (%)	40.7/42.0

#### Price Performance

(%)	1M	3M	12M
Absolute	14.5	8.6	13.2
Rel. to Nifty	9.8	13.8	14.8

#### 1-Year share price trend (Rs)



#### Axis Bank: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profit	263,734	244,567	319,048	394,307	476,111
Loan growth (%)	7.8	18.5	17.0	18.0	15.9
NII growth (%)	8.9	3.1	17.9	18.4	17.8
NIM (%)	3.7	3.4	3.5	3.5	3.6
PPOP growth (%)	13.4	1.7	22.6	21.1	20.3
Adj. EPS (Rs)	85.1	78.7	102.6	126.9	153.2
Adj. EPS growth (%)	5.7	(7.6)	30.5	23.6	20.7
Adj. BV (INR)	560.6	628.8	721.9	841.9	985.2
Adj. BVPS growth (%)	18.8	12.1	14.8	16.6	17.0
RoA (%)	1.7	1.4	1.6	1.7	1.8
RoE (%)	15.9	12.7	14.5	15.5	16.0
P/E (x)	15.1	16.2	12.3	9.8	8.0
P/ABV (x)	2.3	2.0	1.7	1.5	1.2

Source: Company, Emkay Research

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## Key concall takeaways

### Outlook on loans, deposits, and NIM

- Management stated that its wholesale banking strategy remains unchanged, focusing on selective growth over volume expansion. Incremental growth was driven by sectors with strong cycles and favorable macro tailwinds, including power (largely renewables), commercial real estate, data centers, NBFCs (mainly PSL-driven), and manufacturing.
- Growth continues to be quality-led, with disciplined pricing filters and underwriting standards maintained. The bank is also leveraging balance sheet relationships to drive reciprocal transaction flows, supporting fee income and float growth.
- The management reiterated its focus on maximizing institutional value by optimizing growth, NIMs, and risk-adjusted asset mix based on evolving policy and macro conditions, including West Asia-related uncertainties. While growth may exceed the medium-term guidance in some quarters, the bank continues to target a broadly stable 70:30 mix between retail/SME and wholesale businesses (with minor variations) and maintains its through-cycle NIM guidance of 3.8%.
- Cost of deposits declined 46bps YoY and 4bps QoQ, reflecting the strength of funding strategy and disciplined execution. The bank continues to focus on improving deposit quality through deeper liability granularization, with emphasis on building a more stable and sustainable funding base.
- The bank reiterated its through-cycle NIM guidance of ~3.8%, measured from the last policy rate cut and transmission date. Structural drivers continue to improve, with loans and investments comprising 89% of total assets as of Mar'26.
- The management reiterated that achieving the 3.8% through-cycle NIM target depends on the interest rate environment, which remains difficult to predict. However, it continues to guide for reaching this level within 15–18 months from transmission of the last rate cut, with the stance remaining unchanged.
- The management highlighted that 61% of the loan book is linked to the repo rate, and this portion would have been repriced following the 25bps repo rate cut.
- Since the bank transmits repo-linked pricing at the end of the quarter in which the rate cut is announced, the current quarter reflects the full impact of the cut on the repo-linked portfolio. The remaining MCLR and other linked loans will reprice gradually based on their respective reset tenors.
- In the retail deposit market, banks reduced rates by ~10–15bps against a 25bps policy cut, indicating only partial transmission, though further cuts are unlikely from current levels. In the wholesale (bulk) deposit market, there was a typical quarter-end spike in rates, which was more pronounced this time due to bond market sell-off and higher CD yields feeding into pricing.
- With the start of the new year, deposit rates have begun to soften, supported by overall comfortable system liquidity. However, the outlook remains dependent on macro factors such as crude oil prices and currency movements, which continue to drive market expectations.

### Asset quality

- The bank voluntarily strengthened its provisioning framework in FY26 by creating a one-time standard asset provision of Rs20.0bn, driven by macro and geopolitical uncertainties. The management highlighted that this is a prudent and precautionary measure, not linked to any asset quality stress. The provision is adequate to absorb potential stress-related charges in FY27 under adverse scenarios.
- The provision is linked to a clearly identified pool of loans across customer segments and products, selected through a stress-testing framework. Against this identified pool, the bank has created an additional standard asset provision of Rs20bn. In case loans from this stressed pool slip, the provision will be used to absorb the impact, and it may be drawn down in FY27 if the West Asia-related stress materializes in the P&L.

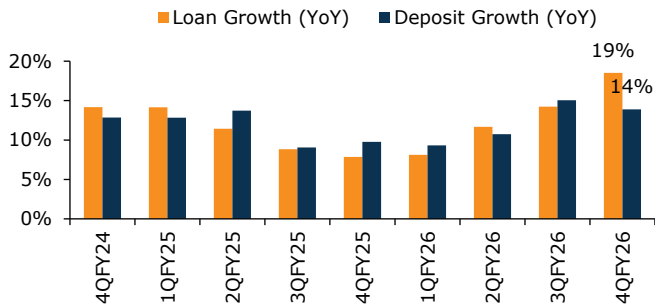
## Others

- The management clarified that following completion of the FY23 tax assessment related to the Citi India Consumer business acquisition, tax depreciation on recognized intangibles has been approved. This led to a Rs21.9bn reduction in Q4/FY26 tax expense (including prior-year provision reversals and deferred tax asset recognition), lowering the FY26 effective tax rate to 17.25%.
- On fees, the management expects continued improvement as core businesses scale up, branch-led business expands, and new branch additions contribute, supporting faster growth in fee income over the next year.
- AFS reserve stood at negative Rs2.54bn on a gross basis as of 31 March 2026.
- Low-yielding RIDF bonds declined Rs57.61bn YoY, with RIDF share of total assets reducing to 0.46% as of Mar'26 from 0.9% in Mar'25.
- On a QoQ basis, operating expenses rose by Rs8.30bn, including Rs4.08bn of one-time items and higher staff costs. Non-staff operating expenses grew 7% QoQ, largely due to business-as-usual volume-linked costs, partly offset by lower PSLC expenses. Technology and digital spends rose 14% YoY and accounted for 10% of total operating expenses.
- In Q4, the bank has provided Rs 1.29bn, driven by changes in discounts and rate assumptions for employee benefit obligations, rather than a continuation of the earlier reversal.
- The bank added 166 branches during the quarter and 400 new branches in FY26.

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

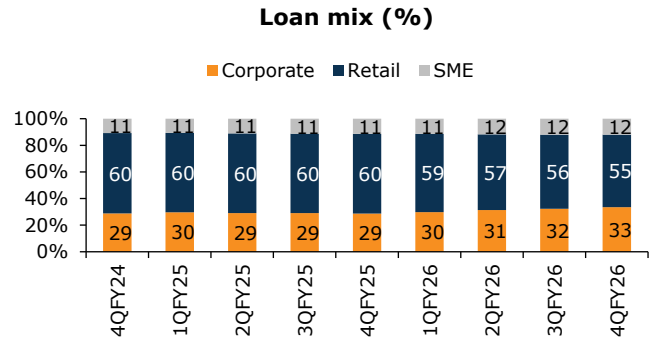
## Story in charts

**Exhibit 1: Healthy credit growth led by strong traction in corporate and SME lending, with deposits growing steadily YoY**



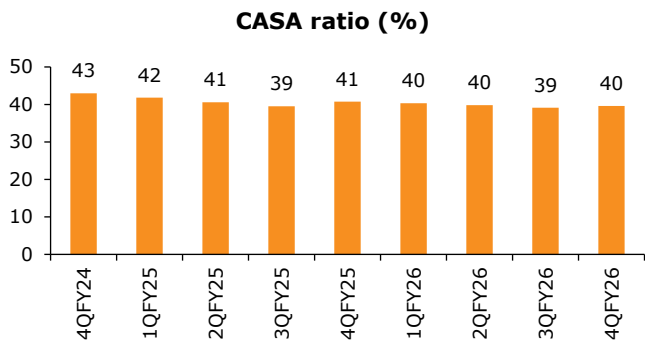
Source: Company, Emkay Research

**Exhibit 2: Loan mix is changing, with retail share moderating and corporate share inching up**



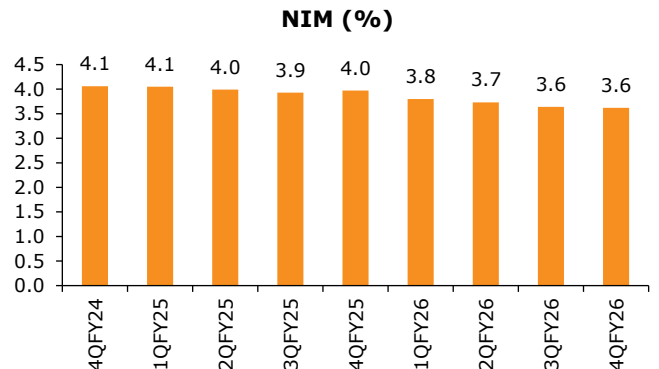
Source: Company, Emkay Research

**Exhibit 3: Healthy CASA growth sequentially led to 48bps rise in the CASA ratio QoQ**



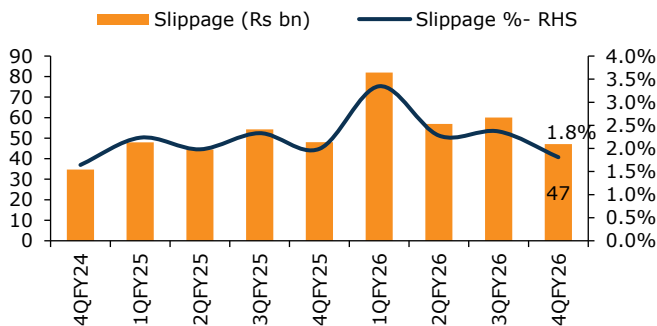
Source: Company, Emkay Research

**Exhibit 4: NIM is largely stable led by gradual deposit repricing**



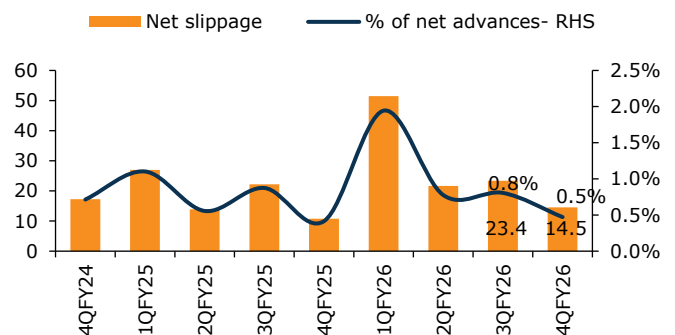
Source: Company, Emkay Research

**Exhibit 5: Slippage improved sharply led by a decline in slippages across segment...**



Source: Company, Emkay Research

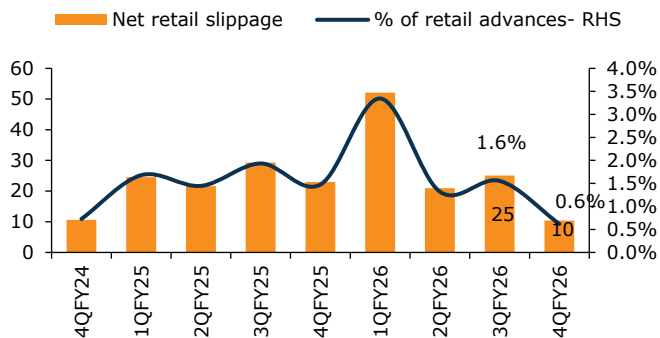
**Exhibit 6: ...which, coupled with better recoveries, led to a decline in net slippages**



Source: Company, Emkay Research

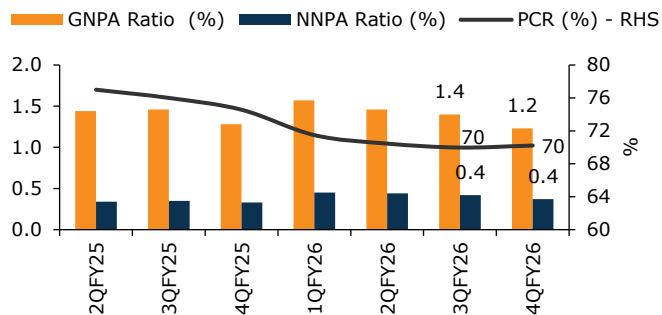
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**Exhibit 7: Net retail slippage declines QoQ due to lower agri slippages**



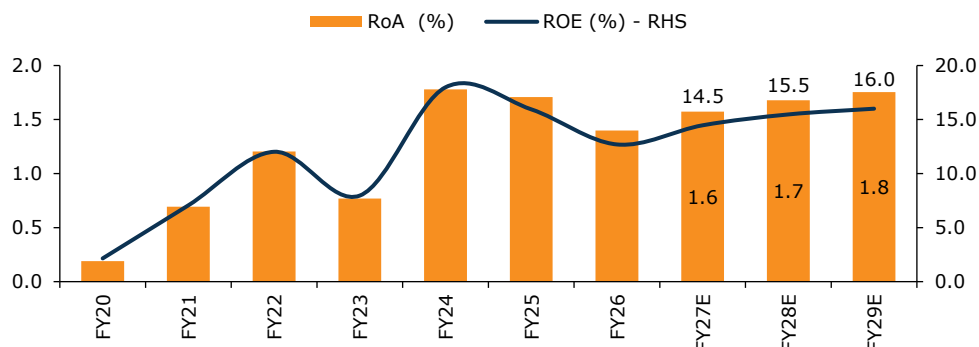
Source: Company, Emkay Research

**Exhibit 8: Lower gross slippages, coupled with better recoveries and write offs, led to an improvement in the GNPA ratio QoQ**



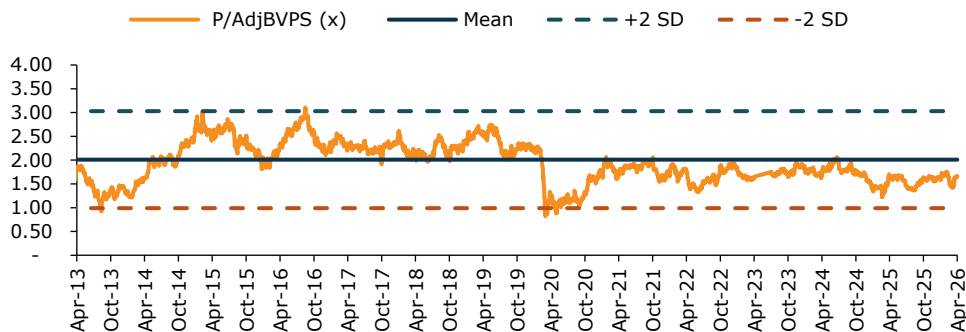
Source: Company, Emkay Research

**Exhibit 9: We expect margin recovery in FY27E (mainly in 2H) led by lower funding costs, which coupled with lower credit costs, should drive up RoAs to 1.6-1.8% over FY27-29E from 1.4% in FY26**



Source: Emkay Research

**Exhibit 10: The stock is currently trading at ~1.6x its 1YF ABV**



Source: Bloomberg, Emkay Research

**Exhibit 11: Actuals vs estimates (Q4FY26)**

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay Consensus	214,006	Emkay Consensus	Emkay Consensus	
Net income	204,797	213,505	214,006	-4%	-4%	lower NII and decline in other income led to a miss
PPOP	100,134	113,287	115,595	-12%	-13%	Muted net income and higher opex, esp lower employee costs, led to a miss
PAT	70,713	71,107	69,576	-1%	2%	Muted PPOp coupled with higher provisions led to a miss

Source: Emkay Research

**Exhibit 12: Quarterly summary**

(Rs mn)	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	YoY (%)	QoQ (%)	FY26	FY27E	YoY (%)
Interest Earned	312,425	310,635	309,702	322,744	327,241	5	1	1,270,322	1,418,794	12
Interest Expenses	174,320	175,038	172,257	179,878	182,669	5	2	709,842	758,258	7
Net Interest Income	138,105	135,598	137,446	142,866	144,572	5	1	560,480	660,535	18
Global NIMs (reported)	4.0	3.8	3.7	3.6	3.6	-35bps	-2bps	3.4	3.5	7bps
Non-interest Income	67,795	72,581	66,246	62,257	60,226	-11	-3	261,309	295,126	13
Operating Expenses	98,377	93,027	99,566	96,365	104,663	6	9	393,621	430,774	9
Pre Provisioning Profit	107,524	115,152	104,125	108,757	100,134	-7	-8	428,168	524,887	23
Provision & Contingencies	13,594	39,477	35,470	22,459	35,222	159	57	132,628	98,950	-25
PBT	93,930	75,675	68,655	86,298	64,912	-31	-25	295,540	425,937	44
Income Tax Expense (Gain)	22,755	17,614	17,759	21,402	-5,801	-125	-127	50,973	106,889	110
Net Profit/(Loss)	71,175	58,061	50,896	64,896	70,713	-1	9	244,567	319,048	30
Gross NPA (%)	1.3	1.6	1.5	1.4	1.2	-5bps	-17bps	1.2	1.3	-3bps
Net NPA (%)	0.3	0.5	0.4	0.4	0.4	4bps	-5bps	0.4	0.4	-2bps
Deposits (Rs bn)	11,730	11,616	12,035	12,608	13,358	14	6	13,358	15,537	16
Net Advances (Rs bn)	10,408	10,597	11,167	11,591	12,336	19	6	12,336	14,435	17

Source: Company, Emkay Research

**Exhibit 13: Revision in estimates**

Y/E Mar (Rs mn)	FY27E			FY28E			FY29E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Net income	967,893	955,662	-1.3%	1,130,689	1,121,526	-0.8%	NA	1,318,247	NA
PPOP	536,617	524,887	-2.2%	640,240	635,571	-0.7%	NA	764,678	NA
PAT	325,270	319,048	-1.9%	397,810	394,307	-0.9%	NA	476,111	NA
EPS (Rs)	104.8	102.6	-2.0%	128.1	126.9	-1.0%	NA	153.2	NA
BV (Rs)	760.8	757.7	-0.4%	886.3	882.0	-0.5%	NA	1032.2	NA

Source: Emkay Research

**Exhibit 14: Key assumptions**

(%)	FY26	FY27E	FY28E	FY29E
Loan growth	18.5	17.0	18.0	15.9
Deposit growth	13.9	16.3	18.0	16.3
NIM	3.4	3.5	3.5	3.6
GNPA	1.2	1.3	1.3	1.4
Credit cost	1.8	0.7	0.7	0.7

Source: Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

**Exhibit 15: Key ratios and trends**

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Loans (Rs bn)	9,651	9,801	10,000	10,146	10,408	10,597	11,167	11,591	12,336
Growth YoY (%)	14.2	14.2	11.4	8.8	7.8	8.1	11.7	14.2	18.5
<b>Composition (%)</b>									
- Corporate	28.7	29.7	29.1	29.0	28.8	29.8	31.3	32.4	33.5
- SME/BB	10.8	10.6	11.0	11.2	11.4	11.4	11.8	12.0	11.9
- Retail	60.4	59.7	59.9	59.7	59.8	58.8	56.9	55.6	54.6
<b>Liability Profile (%)</b>									
CASA	43.0	41.8	40.6	39.5	40.8	40.3	39.8	39.1	39.6
CA	14.7	14.1	13.1	13.1	14.2	14.0	13.4	13.6	13.8
SA	28.3	27.8	27.5	26.4	26.5	26.3	26.4	25.5	25.8
NIM (%)	4.1	4.1	4.0	3.9	4.0	3.8	3.7	3.6	3.6
NIM – Domestic (%)	4.2	4.1	4.1	4.1	4.1	3.9	3.8	3.8	3.7
<b>Asset Quality</b>									
GNPA (%)	1.5	1.6	1.5	1.5	1.4	1.7	1.5	1.5	1.2
NNPA (%)	0.3	0.3	0.3	0.4	0.3	0.5	0.4	0.4	0.4
PCR – Specific (%)	78.5	78.0	77.0	76.0	74.6	71.5	70.5	70.0	70.2
Slippages (Rs bn)	34.7	47.9	44.4	54.3	48.1	82.0	57.0	60.1	47.1
Slippages (%)	1.6	2.2	2.0	2.3	2.0	3.3	2.3	2.4	1.8
<b>Capital Adequacy</b>									
CAR (%)	16.6	16.7	16.6	17.0	17.1	16.9	16.6	16.6	16.4
Tier I (%)	14.2	14.1	14.5	15.0	15.1	15.1	14.8	14.9	14.8
<b>ROE Decomposition (on total assets; %)</b>									
NII	3.7	3.9	3.8	3.7	3.6	3.5	3.5	3.5	3.3
Other Income (Ex Treasury)	1.6	1.6	1.6	1.5	1.7	1.5	1.5	1.5	1.5
Treasury	0.3	0.1	0.3	0.1	0.0	0.4	0.1	0.0	(0.1)
Net income	5.7	5.6	5.7	5.4	5.3	5.4	5.1	5.0	4.7
Opex	2.7	2.6	2.7	2.5	2.5	2.4	2.5	2.4	2.4
PPOP	3.0	2.9	3.0	2.9	2.8	3.0	2.6	2.7	2.3
Provisions	0.3	0.6	0.6	0.6	0.4	1.0	0.9	0.5	0.8
PBT	2.7	2.3	2.4	2.3	2.4	2.0	1.7	2.1	1.5
Tax	0.6	0.6	0.4	0.6	0.6	0.5	0.4	0.5	(0.1)
ROA	2.0	1.7	1.9	1.7	1.8	1.5	1.3	1.6	1.6
Leverage (x)	10.1	9.6	9.4	9.3	9.3	8.9	8.9	8.9	9.1
ROE	20.6	16.6	18.3	16.0	17.2	13.5	11.4	14.0	14.7

Source: Company, Emkay Research

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## Axis Bank: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	1,226,770	1,270,322	1,418,794	1,606,171	1,842,389
Interest Expense	683,292	709,842	758,258	824,283	921,498
<b>Net interest income</b>	<b>543,478</b>	<b>560,480</b>	<b>660,535</b>	<b>781,888</b>	<b>920,891</b>
NII growth (%)	8.9	3.1	17.9	18.4	17.8
Other income	252,571	261,309	295,126	339,638	397,356
<b>Total Income</b>	<b>796,049</b>	<b>821,789</b>	<b>955,662</b>	<b>1,121,526</b>	<b>1,318,247</b>
Operating expenses	374,999	393,621	430,774	485,955	553,569
<b>PPOP</b>	<b>421,049</b>	<b>428,168</b>	<b>524,887</b>	<b>635,571</b>	<b>764,678</b>
PPOP growth (%)	13.4	1.7	22.6	21.1	20.3
<b>Core PPOP</b>	<b>401,202</b>	<b>414,438</b>	<b>511,844</b>	<b>623,180</b>	<b>752,906</b>
Provisions & contingencies	77,585	132,628	98,950	107,600	127,285
<b>PBT</b>	<b>343,465</b>	<b>295,540</b>	<b>425,937</b>	<b>527,971</b>	<b>637,393</b>
Extraordinary items	0	0	0	0	0
Tax expense	79,731	50,973	106,889	133,664	161,282
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
<b>Reported PAT</b>	<b>263,734</b>	<b>244,567</b>	<b>319,048</b>	<b>394,307</b>	<b>476,111</b>
PAT growth (%)	6.1	(7.3)	30.5	23.6	20.7
<b>Adjusted PAT</b>	<b>263,734</b>	<b>244,567</b>	<b>319,048</b>	<b>394,307</b>	<b>476,111</b>
<b>Diluted EPS (Rs)</b>	<b>85.1</b>	<b>78.7</b>	<b>102.6</b>	<b>126.9</b>	<b>153.2</b>
Diluted EPS growth (%)	5.7	(7.6)	30.5	23.6	20.7
<b>DPS (Rs)</b>	<b>1.0</b>	<b>1.0</b>	<b>1.9</b>	<b>2.6</b>	<b>3.0</b>
<b>Dividend payout (%)</b>	<b>1.2</b>	<b>1.3</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>
Effective tax rate (%)	23.2	17.2	25.1	25.3	25.3
Net interest margins (%)	3.7	3.4	3.5	3.5	3.6
Cost-income ratio (%)	47.1	47.9	45.1	43.3	42.0
Shares outstanding (mn)	3,097.4	3,108.2	3,108.2	3,108.2	3,108.2

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
<b>Asset quality</b>					
Gross NPLs	144,901	160,837	183,121	218,181	287,959
Net NPLs	41,871	47,896	53,105	63,273	83,508
GNPA ratio (%)	1.4	1.2	1.3	1.3	1.4
NNPA ratio (%)	0.4	0.4	0.4	0.4	0.4
Provision coverage (%)	71.1	70.2	71.0	71.0	71.0
Gross slippages	194,763	246,120	247,603	292,172	348,888
Gross slippage ratio (%)	1.9	2.0	1.7	1.7	1.8
LLP ratio (%)	0.7	1.8	0.7	0.7	0.7
NNPA to networth (%)	2.3	2.2	2.2	2.2	2.5
<b>Capital adequacy</b>					
Total CAR (%)	17.1	16.4	16.1	15.9	16.2
Tier-1 (%)	15.1	14.8	14.6	14.6	14.9
CET-1 (%)	14.7	14.4	14.2	14.3	14.7
RWA-to-Total Assets (%)	74.8	77.7	78.1	78.6	78.0
<b>Miscellaneous</b>					
Total income growth (%)	12.2	3.5	11.9	13.5	15.1
Opex growth (%)	6.5	5.0	9.4	12.8	13.9
Core PPOP growth (%)	13.6	3.3	23.5	21.8	20.8
PPOP margin (%)	28.5	28.0	30.6	32.7	34.1
PAT/PPOP (%)	62.6	57.1	60.8	62.0	62.3
LLP-to-Core PPOP (%)	19.3	32.0	19.3	17.3	16.9
Yield on advances (%)	9.7	8.8	8.4	8.2	8.1
Cost of funds (%)	5.1	4.8	4.5	4.1	3.9

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	6,195	6,216	6,216	6,216	6,216
Reserves & surplus	1,791,057	2,049,148	2,348,869	2,735,095	3,201,881
<b>Net worth</b>	<b>1,797,251</b>	<b>2,055,364</b>	<b>2,355,086</b>	<b>2,741,311</b>	<b>3,208,097</b>
Deposits	11,729,520	13,358,340	15,536,870	18,338,067	21,334,386
Borrowings	2,068,615	2,352,706	2,258,922	3,592,479	3,461,016
<b>Interest bearing liab.</b>	<b>13,798,135</b>	<b>15,711,046</b>	<b>17,795,791</b>	<b>21,930,546</b>	<b>24,795,402</b>
<b>Other liabilities &amp; prov.</b>	<b>503,912</b>	<b>1,102,089</b>	<b>1,533,520</b>	<b>618,265</b>	<b>973,953</b>
<b>Total liabilities &amp; equity</b>	<b>16,099,299</b>	<b>18,868,499</b>	<b>21,684,397</b>	<b>25,290,122</b>	<b>28,977,453</b>
Net advances	10,408,113	12,335,699	14,434,892	17,031,683	19,731,995
Investments	3,961,418	4,450,328	4,925,126	5,583,303	6,216,436
Cash, other balances	997,321	1,049,027	1,112,237	1,275,541	1,454,595
<b>Interest earning assets</b>	<b>15,366,852</b>	<b>17,835,054</b>	<b>20,472,255</b>	<b>23,890,527</b>	<b>27,403,026</b>
Fixed assets	62,917	65,494	103,246	115,040	128,025
Other assets	669,530	967,952	1,108,896	1,284,556	1,446,402
<b>Total assets</b>	<b>16,099,299</b>	<b>18,868,499</b>	<b>21,684,397</b>	<b>25,290,122</b>	<b>28,977,453</b>
BVPS (Rs)	570.8	640.3	734.7	857.2	1,005.4
Adj. BVPS (INR)	560.6	628.8	721.9	841.9	985.2
Gross advances	10,511,143	12,448,639	14,564,908	17,186,592	19,936,446
Credit to deposit (%)	88.7	92.3	92.9	92.9	92.5
CASA ratio (%)	40.8	39.6	39.2	39.8	40.5
Cost of deposits (%)	4.8	4.6	4.4	4.2	4.1
Loans-to-Assets (%)	64.6	65.4	66.6	67.3	68.1
Net advances growth (%)	7.8	18.5	17.0	18.0	15.9
Deposit growth (%)	9.8	13.9	16.3	18.0	16.3
Book value growth (%)	18.9	12.2	14.7	16.7	17.3

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	15.1	16.2	12.3	9.8	8.0
P/B (x)	2.3	2.0	1.7	1.4	1.2
P/ABV (x)	2.3	2.0	1.7	1.5	1.2
P/PPOP (x)	10.1	9.9	8.1	6.7	5.6
Dividend yield (%)	0.1	0.1	0.1	0.2	0.2
<b>DuPont-RoE split (%)</b>					
NII/avg assets	3.5	3.2	3.3	3.3	3.4
Other income	1.6	1.5	1.5	1.4	1.5
Fee income	1.5	1.4	1.4	1.4	1.4
Opex	2.4	2.3	2.1	2.1	2.0
<b>PPOP</b>	<b>2.7</b>	<b>2.4</b>	<b>2.6</b>	<b>2.7</b>	<b>2.8</b>
Core PPOP	2.6	2.4	2.5	2.7	2.8
Provisions	0.5	0.8	0.5	0.5	0.5
Tax expense	0.5	0.3	0.5	0.6	0.6
<b>RoA (%)</b>	<b>1.7</b>	<b>1.4</b>	<b>1.6</b>	<b>1.7</b>	<b>1.8</b>
Leverage ratio (x)	9.3	9.1	9.2	9.2	9.1
<b>RoE (%)</b>	<b>15.9</b>	<b>12.7</b>	<b>14.5</b>	<b>15.5</b>	<b>16.0</b>

Quarterly data					
Rs mn	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
NII	138,105	135,598	137,446	142,866	144,572
NIM (%)	4.0	3.8	3.7	3.6	3.6
PPOP	107,524	115,152	104,125	108,757	100,134
PAT	71,175	58,061	50,896	64,896	70,713
EPS (Rs)	23.2	18.7	16.2	20.9	22.8

Source: Company, Emkay Research

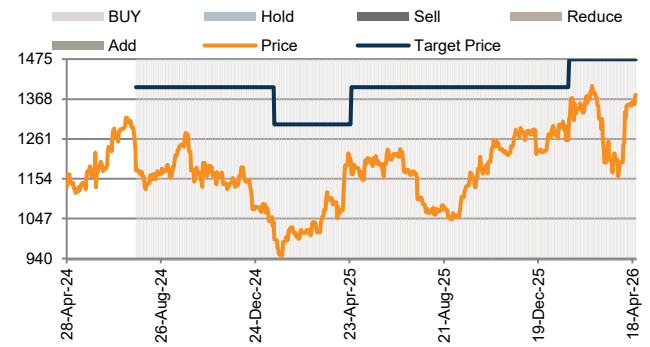
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## RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
27-Jan-26	1,316	1,475	Buy	Anand Dama
16-Oct-25	1,196	1,400	Buy	Anand Dama
18-Jul-25	1,099	1,400	Buy	Anand Dama
18-Jun-25	1,221	1,400	Buy	Anand Dama
25-Apr-25	1,166	1,400	Buy	Anand Dama
09-Apr-25	1,062	1,300	Buy	Anand Dama
17-Jan-25	991	1,300	Buy	Anand Dama
18-Oct-24	1,197	1,400	Buy	Anand Dama
25-Jul-24	1,176	1,400	Buy	Anand Dama

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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<b>SELL</b>	>15% downside

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