

Axis Bank reported PAT of ~Rs70bn (up 38% yoy/down 1.6% qoq), 2% below our estimate, while PPOP at Rs110.8bn missed our estimate by 6%. The miss was due to lower other income and elevated operating expenses, partly offset by provisions coming 23% below our estimate. Opex increased 9% yoy/11% qoq to Rs108.2bn, including Rs2.5bn of one-off costs related mainly to labor codes and FCNR(B) mobilization. Despite this, cost-to-assets declined by 6bps qoq/24 bps yoy to 2.14%. Provisions fell 52% yoy, with credit costs declining to 54bps, supported by lower slippages (1.7%) and improving asset quality (GNPA at 1.16%, down by 12bps qoq). Advances grew 23% yoy/9% qoq, supporting the growth outlook, although FCNR(B)-related pressure weighed on NIM. Management expects margin to improve as FCNR(B) funds are deployed and higher-cost deposits are retired. The ECL transition impact is expected to be manageable, supported by ~Rs80bn of contingent provisions. Improving margins, operating efficiency, and credit costs are expected to drive up ROA to 1.4–1.5% over FY27–29E. The stock is currently trading at cheap valuations of 1.3x Sep-28E P/ABV. Hence, we retain BUY on Axis Bank with unchanged TP to Rs1,600, rolling forward Standalone bank valuations on 1.6x Jun-28E P/ABV and subs at Rs137/sh.

Strong Advances growth; Margin to improve

Advances grew 23% yoy/9% qoq, led by corporate (up 34% yoy) and commercial (up 29% yoy) banking. Deposits rose 20.7% yoy/5.8% qoq, driven by term deposits (up 27% yoy/8.4% qoq), while CASA ratio declined to ~32%. The FCNR(B) mobilization contributed ~Rs1,018bn, with ~8% market share. NIM declined by 10bps qoq to 3.36%, reflecting a 11bps drag from FCNR(B) mobilization and deployment, partly offset by lower interest reversals. Ex FCNR(B), NIM was 3.47%, up by 1bp qoq, as liability repricing partly offset the impact of repo-rate cuts and adverse balance-sheet mix. Management expects margin to improve over 3Q–4QFY27 as FCNR(B) funds are deployed into advances and higher-cost non-retail term deposits are retired.

Asset quality improves; ECL impact manageable

Asset quality improved, with gross slippage ratio declining by 31bps qoq to 1.48%, reflecting broad-based improvement across portfolios. GNPA fell by 12bps qoq to 1.16%, while NNPA declined by 4bps to 0.35%. Credit costs fell to 54bps, the lowest in several quarters. Recoveries from written-off accounts rose 51% yoy to Rs9.7bn, reflecting underlying recovery trends rather than one-off gains. Management expects further credit-cost improvement, while the ECL transition impact is expected to be manageable, supported by ~Rs80bn of additional provisions.

We retain BUY with unchanged TP of Rs1,600

Improving margins, operating efficiency, and credit costs are expected to drive ROA to 1.4–1.5% over FY27–29E. Hence, we retain BUY with unchanged TP of Rs1,600, rolling forward the SA bank valuation on 1.6x Sep-28E P/ABV and subs at Rs137/sh. Key risks: macro dislocation, delay in unsecured retail NPA stress moderation and KMP attrition.

Target Price – 12M	Sep-27
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	24.4

Stock Data	AXSB IN
52-week High (Rs)	1,418
52-week Low (Rs)	1,150
Shares outstanding (mn)	3,113.9
Market-cap (Rs bn)	4,006
Market-cap (USD mn)	42,186
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	7.0
ADTV-3M (Rs mn)	8,423.1
ADTV-3M (USD mn)	88.7
Free float (%)	90.0
Nifty-50	23,146.2
INR/USD	95.0

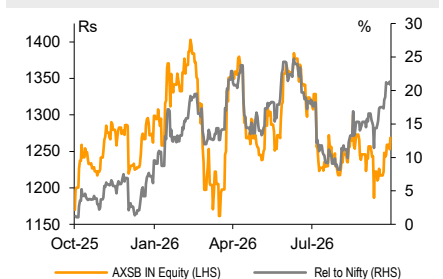
Shareholding, Sep-26

Promoters (%)	7.9
FPIs/MFs (%)	38.0/47.7

Price Performance

(%)	1M	3M	12M
Absolute	3.7	(1.6)	7.5
Rel. to Nifty	4.0	2.3	18.9

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	289,507	351,512	417,344
Loan growth (%)	7.8	18.5	18.0	18.0	15.9
NII growth (%)	8.9	3.1	14.1	16.7	17.4
NIM (%)	3.7	3.4	3.3	3.4	3.4
PPOP growth (%)	13.4	1.7	13.6	19.0	18.7
Adj. EPS (Rs)	85.1	78.7	93.0	112.9	134.0
Adj. EPS growth (%)	5.7	(7.6)	18.2	21.4	18.7
Adj. BV (INR)	560.6	628.7	713.1	819.3	943.6
Adj. BVPS growth (%)	1.7	12.1	13.4	14.9	15.2
RoA (%)	1.7	1.4	1.4	1.5	1.5
RoE (%)	15.9	12.7	13.2	14.1	14.5
P/E (x)	14.0	15.1	12.6	10.3	8.6
P/ABV (x)	2.1	1.9	1.6	1.4	1.2

Source: Company, Emkay Research

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Earnings call highlights

Outlook on loans, deposits, and NIM

- Management reiterated its medium-term aspiration to deliver loan growth at ~300bps above industry levels, supported by continued market share gains of 10bps in advances with loan growth excluding the self-funded FCNR(B) component improving to above 10% yoy from 6–8% over the past few quarters.
- Retail disbursements grew 22% yoy, led by home loans (up 24%), vehicle loans (up 25%), SBB (up 33%), retail agriculture (up 19%) and consumer loans (up 20%). Management expects retail loan growth to accelerate as strong disbursement momentum feeds through to portfolio growth, with a medium-term objective of restoring retail advances to above 55% of the loan book from the current 54%.
- Corporate lending remains selective and broad-based across capex, project finance, refinancing, and working capital, supported by a healthy pipeline of high-quality borrowers and deeper client relationships. The bank has not provided a specific loan growth target.
- The bank mobilized ~Rs1,018bn through FCNR(B) deposits, garnering an estimated 8% market share of FCNR(B) deposits. Excluding FCNR(B) deposits backed by loans extended by international branches, deposits grew 17% yoy and 3% qoq, while term deposits increased 21% yoy and 3% qoq.
- Management indicated that FCNR(B) inflows have been used to both retire high-cost liabilities and create incremental assets.
- While the funds have supported balance-sheet optimization, the bank has not deployed the entire FCNR(B) mobilization into asset growth, leaving further headroom for balance-sheet expansion. FCNR(B) deposits carry a one-year lock-in and are treated as non-callable for LCR purposes, so they do not attract an associated HQLA requirement.
- Reported NIM declined by 37bps yoy and 10bps qoq to 3.36% in 2QFY27, primarily due to the 11bps impact of FCNR(B) mobilization and deployment, a 16bps impact from balance-sheet mix, and a 10 bps incremental impact from repo rate cuts, partly offset by liability repricing.
- Excluding FCNR(B), NIM was 3.47%, up by 1bp qoq. Management expects the NIM benefit from deploying FCNR(B) funds and retiring higher-cost non-retail term deposits to emerge over 3QFY27 and 4QFY27, with optimization benefits continuing over the next couple of quarters.
- The management has maintained the structural through-cycle NIM guidance at 3.8%, although it has not provided timeline for this. The benefit of the latest repo rate increase on the existing loan book is expected to be reflected in Q4FY27, given the repricing date near quarter-end; new repo-linked loans will reflect the revised rate immediately.

Asset quality

- Asset quality trends improved, with the gross slippage ratio declining by 63bps yoy and 31bps qoq, while the net slippage ratio fell by 30bps yoy and 37bps qoq. Gross slippages stood at Rs47.62bn and net slippages at Rs23.83bn in 2QFY27.
- Recoveries from written-off accounts increased 51% yoy to Rs9.71bn; Management clarified that these were in line with the broader recovery trend rather than unusual recoveries.
- Credit costs have improved both qoq and yoy, and Management expects further improvement, supported by better portfolio mix, lower slippage ratios, and stronger recoveries, without providing specific guidance.
- The bank has sanctioned Rs107bn of ECLGS loans, of which ~80% has been disbursed.
- Management does not expect any material impact from the transition to the ECL framework, supported by existing contingent provisions of ~Rs80bn. The eventual impact will depend on Stage 1 and Stage 2 migration and flow rates, with greater clarity expected closer to implementation.

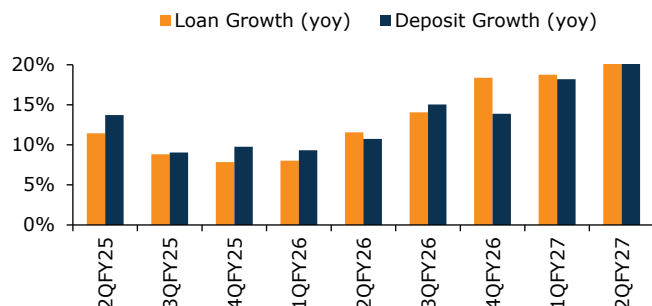
Others

- Axis Bank further strengthened its capital position by raising \$600mn of AT1 capital (\$500mn during 1QFY27 and a additional \$100mn post quarter-end), improving financial flexibility and supporting future growth.
- Management expects core operating revenue to continue, after adjusting for one-off items. Cost-to-assets has declined steadily over the past 1.5 years, and the bank expects this trajectory to continue through productivity improvements, cost-efficiency initiatives, and AI deployment.
- Operating expenses increased 9% yoy and 11% qoq to Rs108.2bn; 2QFY27 included Rs2.5bn of one-off costs related primarily to labor codes and FCNR(B) mobilization. Adjusting for one-offs, operating expenses increased ~6% qoq, with 60% of the increase linked to business volumes.
- Fee income growth was reasonable qoq but weaker yoy, reflecting a lower proportion of asset-linked fees as the corporate book expanded, delayed accrual of non-asset-linked fees, subdued credit card spending, and a shift in festive-season timing.
- Regarding proposed insurance regulations, Management expects a possible 6–9-month transition period and is preparing to mitigate the impact through higher volumes, product-mix optimization, and alternative fee-income streams. The final impact remains uncertain pending regulatory clarity.
- The bank will retain its salaried-only personal loan strategy, with self-employed borrowers served through the separate business loan segment. Investments in collections and technology, alongside tighter underwriting standards, have supported strong growth in disbursements and a gradual recovery in portfolio growth while maintaining healthy asset quality.
- CET-1, including H1FY27 profits, stood at 14.61%, with aggregate provisions of Rs80bn providing an additional capital cushion of ~49bps. Management reiterated that no additional equity capital is required to support growth.
- The bank also introduced Apple Pay for credit card customers and a UPI Limit Management feature, while continuing to leverage its digital platform and One Axis approach to deepen customer relationships and cross-sell products.

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

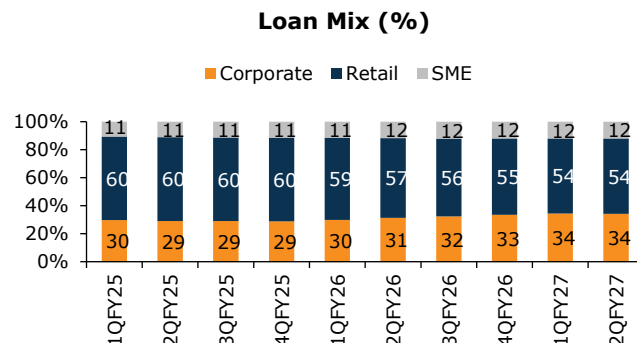
Story in charts

Exhibit 1: Strong business growth led by FCNR



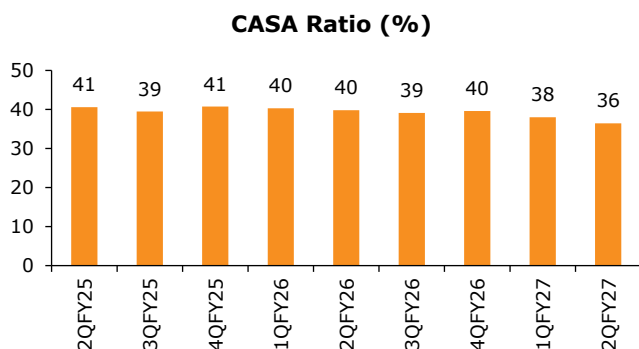
Source: Company, Emkay Research

Exhibit 2: Loan mix is balanced, with corporate growth picking up



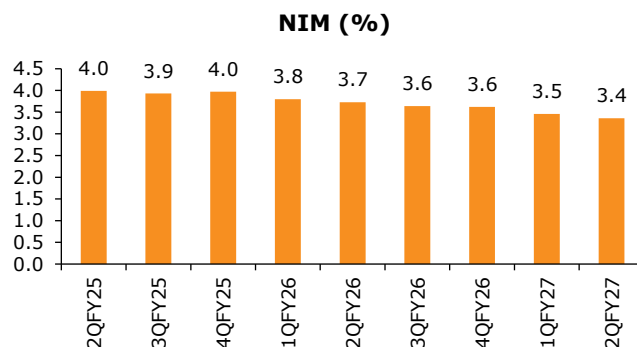
Source: Company, Emkay Research

Exhibit 3: CASA growth declines due to FCNR-led high TD growth



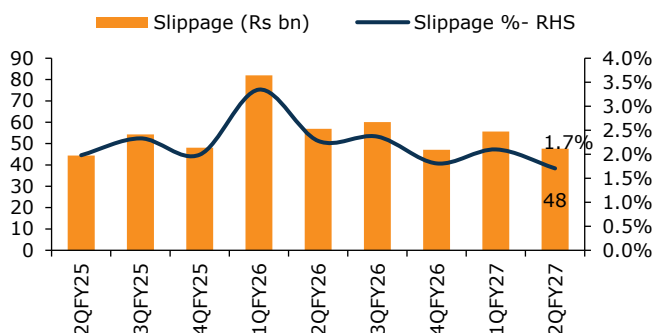
Source: Company, Emkay Research

Exhibit 4: NIM declines due to FCNR inflows



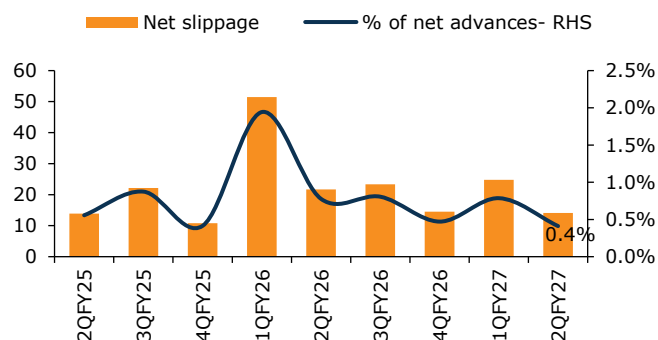
Source: Company, Emkay Research

Exhibit 5: Slippage declines, with broad-based improvement across portfolio



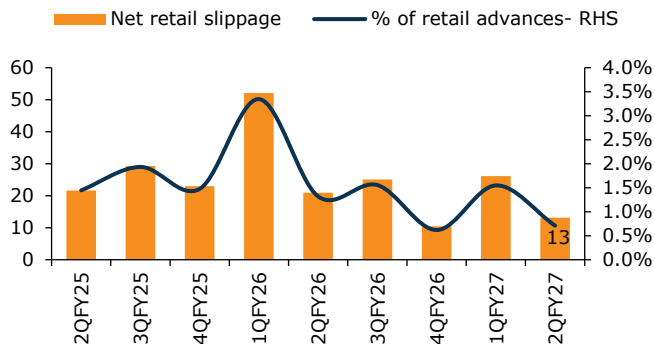
Source: Company, Emkay Research

Exhibit 6: Net slippage too declines, forming 0.4% of advances

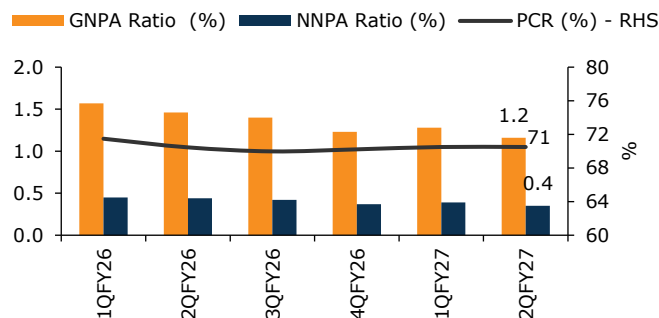


Source: Company, Emkay Research

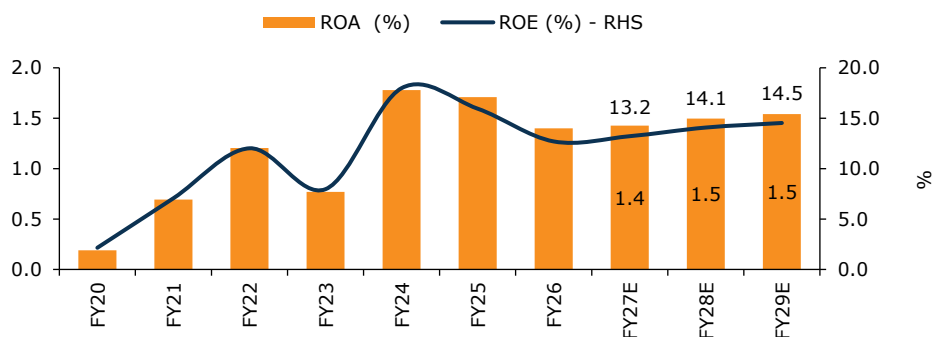
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Exhibit 7: Net retail slippage decreases qoq, driven by retail loans

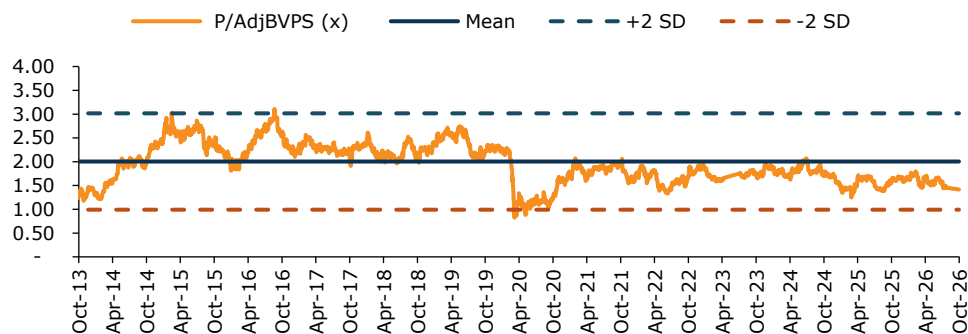
Source: Company, Emkay Research

Exhibit 8: Asset quality improves with lower GNPA and slippages

Source: Company, Emkay Research

Exhibit 9: Improving margins, operating efficiency and credit costs are expected to drive ROA to 1.4–1.5% over FY27–29E

Source: Emkay Research

Exhibit 10: The stock is currently trading at ~1.3x its 1YF P/ABV

Source: Bloomberg, Emkay Research

Exhibit 11: Actuals vs estimates (2QFY27)

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay Consensus	Emkay Consensus	Emkay Consensus	Emkay Consensus	
Net income	219,020	222,368	224,157	-2%	-2%	Decline in other income led to a miss
PPOP	110,831	117,823	118,432	-6%	-6%	Decline in net income and higher opex led to a miss
PAT	70,033	71,580	71,366	-2%	-2%	PPoP miss offset by lower provisions led to a miss

Source: Emkay Research

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Exhibit 12: Quarterly summary

(Rs mn)	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	yoy (%)	qoq (%)	FY26	FY27E	yoy (%)
Interest Earned	309,702	322,744	327,241	339,856	364,188	18	7	1,270,322	1,432,879	13
Interest Expenses	172,257	179,878	182,669	193,395	210,474	22	9	709,842	793,519	12
Net Interest Income	137,446	142,866	144,572	146,461	153,714	12	5	560,480	639,360	14
Global NIMs (reported)	3.7	3.6	3.6	3.5	3.4	-37bps	-10bps	3.4	3.3	-5bps
Non-interest Income	66,246	62,257	60,226	67,354	65,306	-1	-3	261,308	282,392	8
Operating Expenses	99,566	96,365	104,663	97,224	108,189	9	11	393,621	435,523	11
Pre Provisioning Profit	104,125	108,757	100,134	116,591	110,831	6	-5	428,168	486,229	14
Provision & Contingencies	35,470	22,459	35,222	22,225	16,937	-52	-24	132,235	99,680	-25
PBT	68,655	86,298	64,912	94,366	93,893	37	-1	295,933	386,549	31
Income Tax Expense (Gain)	17,759	21,402	-5,801	23,226	23,861	34	3	51,367	97,042	89
Net Profit/(Loss)	50,896	64,896	70,713	71,139	70,033	38	-2	244,567	289,507	18
Gross NPA (%)	1.5	1.4	1.2	1.3	1.2	-30bps	-12bps	1.3	1.2	-4bps
Net NPA (%)	0.4	0.4	0.4	0.4	0.4	-9bps	-4bps	0.4	0.4	-2bps
Deposits (Rs bn)	12,035	12,608	13,358	13,729	14,521	21	6	13,358	15,537	16
Net Advances (Rs bn)	11,167	11,591	12,336	12,616	13,737	23	9	12,336	14,559	18

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	920,562	921,752	0.1%	1,074,545	1,070,152	-0.4%	1,253,835	1,246,810	-0.6%
PPOP	492,117	486,229	-1.2%	591,131	578,598	-2.1%	703,062	686,513	-2.4%
PAT	293,923	289,507	-1.5%	360,881	351,512	-2.6%	429,716	417,344	-2.9%
EPS (Rs)	94.6	93.0	-1.7%	116.1	112.9	-2.8%	138.3	134.0	-3.1%
BV (Rs)	749.6	746.9	-0.4%	863.1	857.2	-0.7%	998.4	988.2	-1.0%

Source: Emkay Research

Exhibit 14: Key assumptions

(%)	FY26	FY27E	FY28E	FY29E
Loan growth	18.5	18.0	18.0	15.9
Deposit growth	13.9	16.3	18.0	16.3
NIM	3.4	3.3	3.4	3.4
GNPA	1.3	1.2	1.3	1.4
Credit cost	1.0	0.7	0.7	0.7

Source: Emkay Research

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Exhibit 15: Key ratios and trends

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Loans (Rs bn)	10,000	10,146	10,408	10,597	11,167	11,591	12,336	12,616	13,737
Growth yoy (%)	11.4	8.8	7.8	8.1	11.7	14.2	18.5	19.0	23.0
Composition (%)									
- Corporate	29.1	29.0	28.8	29.8	31.3	32.4	33.5	34.4	34.2
- SME/BB	11.0	11.2	11.4	11.4	11.8	12.0	11.9	12.0	12.0
- Retail	59.9	59.7	59.8	58.8	56.9	55.6	54.6	53.5	53.9
Liability Profile (%)									
CASA	40.6	39.5	40.8	40.3	39.8	39.1	39.6	38.0	36.5
CA	13.1	13.1	14.2	14.0	13.4	13.6	13.8	12.6	11.9
SA	27.5	26.4	26.5	26.3	26.4	25.5	25.8	25.4	24.5
NIM (%)	4.0	3.9	4.0	3.8	3.7	3.6	3.6	3.5	3.4
NIM – Domestic (%)	4.1	4.1	4.1	3.9	3.8	3.8	3.7	3.6	3.6
Asset Quality									
GNPA (%)	1.5	1.5	1.4	1.7	1.5	1.5	1.2	1.3	1.2
NNPA (%)	0.3	0.4	0.3	0.5	0.4	0.4	0.4	0.4	0.4
PCR – Specific (%)	77.0	76.0	74.6	71.5	70.5	70.0	70.2	70.5	70.5
Slippages (Rs bn)	44.4	54.3	48.1	82.0	57.0	60.1	47.1	55.7	47.6
Slippages (%)	2.0	2.3	2.0	3.3	2.3	2.4	1.8	2.1	1.7
Capital Adequacy									
CAR (%)	16.6	17.0	17.1	16.9	16.6	16.6	16.4	16.7	16.3
Tier I (%)	14.5	15.0	15.1	15.1	14.8	14.9	14.8	15.4	15.0
ROE Decomposition (on total assets; %)									
NII	3.8	3.7	3.6	3.5	3.5	3.5	3.3	3.3	3.3
Other Income (Ex Treasury)	1.6	1.5	1.7	1.5	1.5	1.5	1.5	1.4	1.4
Treasury	0.3	0.1	0.0	0.4	0.1	0.0	(0.1)	0.1	0.0
Net income	5.7	5.4	5.3	5.4	5.1	5.0	4.7	4.9	4.7
Opex	2.7	2.5	2.5	2.4	2.5	2.4	2.4	2.2	2.3
PPOP	3.0	2.9	2.8	3.0	2.6	2.7	2.3	2.6	2.4
Provisions	0.6	0.6	0.4	1.0	0.9	0.5	0.8	0.5	0.4
PBT	2.4	2.3	2.4	2.0	1.7	2.1	1.5	2.1	2.0
Tax	0.4	0.6	0.6	0.5	0.4	0.5	(0.1)	0.5	0.5
ROA	1.9	1.7	1.8	1.5	1.3	1.6	1.6	1.6	1.5
Leverage (x)	9.4	9.3	9.3	8.9	8.9	8.9	9.1	8.8	9.1
ROE	18.3	16.0	17.2	13.5	11.4	14.0	14.7	14.3	13.6

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	1,432,879	1,625,073	1,856,449
Interest Expense	683,292	709,842	793,519	878,812	980,087
Net interest income	543,478	560,480	639,360	746,261	876,362
NII growth (%)	8.9	3.1	14.1	16.7	17.4
Other income	252,571	261,308	282,392	323,891	370,448
Total Income	796,049	821,789	921,752	1,070,152	1,246,810
Operating expenses	374,999	393,621	435,523	491,554	560,296
PPOP	421,049	428,168	486,229	578,598	686,513
PPOP growth (%)	13.4	1.7	13.6	19.0	18.7
Core PPOP	401,202	420,782	474,125	567,099	675,589
Provisions & contingencies	77,585	132,235	99,680	107,870	127,728
PBT	343,465	295,933	386,549	470,728	558,786
Extraordinary items	0	0	0	0	0
Tax expense	79,731	51,367	97,042	119,216	141,442
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	263,734	244,567	289,507	351,512	417,344
PAT growth (%)	6.1	(7.3)	18.4	21.4	18.7
Adjusted PAT	263,734	244,567	289,507	351,512	417,344
Diluted EPS (Rs)	85.1	78.7	93.0	112.9	134.0
Diluted EPS growth (%)	5.7	(7.6)	18.2	21.4	18.7
DPS (Rs)	1.0	1.0	1.9	2.6	3.0
Dividend payout (%)	1.2	1.3	2.0	2.3	2.2
Effective tax rate (%)	23.2	17.4	25.1	25.3	25.3
Net interest margins (%)	3.7	3.4	3.3	3.4	3.4
Cost-income ratio (%)	47.1	47.9	47.2	45.9	44.9
Shares outstanding (mn)	3,097.4	3,108.2	3,113.7	3,113.7	3,113.7

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
Gross NPLs	144,901	160,837	183,311	218,672	289,046
Net NPLs	41,871	47,896	53,160	63,415	83,823
GNPA ratio (%)	1.4	1.3	1.2	1.3	1.4
NNPA ratio (%)	0.4	0.4	0.4	0.4	0.4
Provision coverage (%)	71.1	71.2	71.0	71.0	71.0
Gross slippages	194,763	246,120	249,720	294,669	351,870
Gross slippage ratio (%)	1.9	2.0	1.7	1.7	1.8
LLP ratio (%)	0.7	1.0	0.7	0.7	0.7
NNPA to networth (%)	2.3	2.3	2.2	2.3	2.6
Capital adequacy					
Total CAR (%)	17.1	16.4	16.1	15.8	15.6
Tier-1 (%)	15.1	14.8	14.6	14.4	14.4
CET-1 (%)	14.7	14.4	14.2	14.1	14.1
RWA-to-Total Assets (%)	74.8	77.7	77.1	77.4	77.9
Miscellaneous					
Total income growth (%)	12.2	3.5	12.0	13.6	14.3
Opex growth (%)	6.5	5.0	10.6	12.9	14.0
Core PPOP growth (%)	13.6	4.9	12.7	19.6	19.1
PPOP margin (%)	28.5	28.0	28.3	29.7	30.8
PAT/PPOP (%)	62.6	57.1	59.5	60.8	60.8
LLP-to-Core PPOP (%)	19.3	31.4	21.0	19.0	18.9
Yield on advances (%)	9.7	8.8	8.3	8.2	8.1
Cost of funds (%)	5.2	4.8	4.6	4.5	4.4

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	6,195	6,216	6,227	6,227	6,227
Reserves & surplus	1,791,057	2,049,148	2,319,318	2,662,734	3,070,737
Net worth	1,797,251	2,055,364	2,325,545	2,668,962	3,076,964
Deposits	11,729,520	13,358,340	15,536,869	18,338,066	21,334,386
Borrowings	1,841,465	2,352,706	2,898,453	2,642,021	2,461,066
Interest bearing liab.	13,570,985	15,711,046	18,435,322	20,980,087	23,795,451
Other liabilities & prov.	731,062	1,102,089	958,348	1,614,968	2,042,517
Total liabilities & equity	16,099,299	18,868,499	21,719,215	25,264,017	28,914,933
Net advances	10,408,113	12,335,699	14,559,243	17,178,229	19,901,621
Investments	3,961,418	4,450,328	4,851,401	5,473,187	6,076,143
Cash, other balances	997,321	1,049,027	1,152,208	1,311,255	1,487,216
Interest earning assets	15,366,852	17,835,054	20,562,852	23,962,671	27,464,979
Fixed assets	62,917	65,494	70,028	73,666	77,500
Other assets	669,530	967,952	1,086,335	1,227,680	1,372,454
Total assets	16,099,299	18,868,499	21,719,215	25,264,017	28,914,933
BVPS (Rs)	570.8	640.3	725.9	834.5	963.8
Adj. BVPS (INR)	560.6	628.7	713.1	819.3	943.6
Gross advances	10,511,143	12,448,639	14,689,394	17,333,485	20,106,843
Credit to deposit (%)	88.7	92.3	93.7	93.7	93.3
CASA ratio (%)	40.8	39.6	39.2	39.8	40.5
Cost of deposits (%)	4.8	4.5	4.4	4.3	4.3
Loans-to-Assets (%)	64.6	65.4	67.0	68.0	68.8
Net advances growth (%)	7.8	18.5	18.0	18.0	15.9
Deposit growth (%)	9.8	13.9	16.3	18.0	16.3
Book value growth (%)	1.7	12.2	13.4	15.0	15.5

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	14.0	15.1	12.6	10.3	8.6
P/B (x)	2.1	1.9	1.6	1.4	1.2
P/ABV (x)	2.1	1.9	1.6	1.4	1.2
P/PPOP (x)	9.5	9.4	8.2	6.9	5.8
Dividend yield (%)	0.1	0.1	0.1	0.2	0.2
DuPont-RoE split (%)					
NII/avg assets	3.5	3.2	3.2	3.2	3.2
Other income	1.6	1.5	1.4	1.4	1.4
Fee income	1.5	1.5	1.3	1.3	1.3
Opex	2.4	2.3	2.1	2.1	2.1
PPOP	2.7	2.4	2.4	2.5	2.5
Core PPOP	2.6	2.4	2.3	2.4	2.5
Provisions	0.5	0.8	0.5	0.5	0.5
Tax expense	0.5	0.3	0.5	0.5	0.5
RoA (%)	1.7	1.4	1.4	1.5	1.5
Leverage ratio (x)	9.3	9.1	9.3	9.4	9.4
RoE (%)	15.9	12.7	13.2	14.1	14.5
Quarterly data					
Rs mn, Y/E Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
NII	137,466	142,866	144,572	146,461	153,714
NIM (%)	3.7	3.6	3.6	3.5	3.5
PPOP	104,125	108,757	100,134	116,591	110,831
PAT	50,896	64,896	70,713	71,139	70,033
EPS (Rs)	16.4	20.9	22.8	22.9	22.6

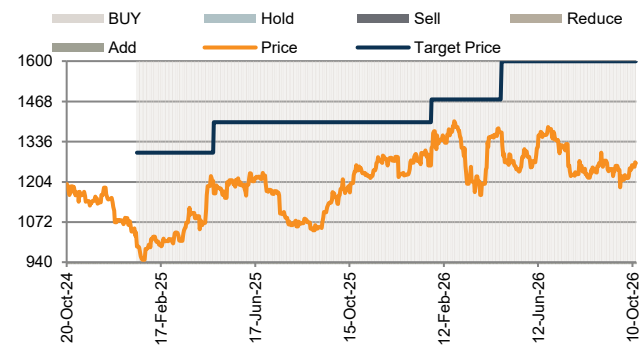
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
08-Oct-26	1,245	1,600	Buy	Avinash Singh
20-Jul-26	1,256	1,600	Buy	Avinash Singh
10-Jul-26	1,324	1,600	Buy	Avinash Singh
26-Apr-26	1,366	1,600	Buy	Anand Dama
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

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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