

# Axis Bank Ltd

## Reasonable outcomes on key parameters

### Our view – Balance sheet growth a key monitorable

**Asset Quality** – Gross slippages declined on sequential basis partly on account of seasonality pertaining to agri slippages: Gross NPA additions amounted to Rs 48.05bn for 4QFY25, translating to an annualized slippage ratio of 1.9% for the quarter. Gross NPA additions had amounted to Rs 54.32bn during 3QFY25. Agri slippages are elevated in the first and third quarters of the Indian financial year. Provisions were Rs 13.59bn, down by -36.9% QoQ but up 14.7% YoY, translating to all-inclusive annualised credit cost of 53bps. Provisions were driven lower by upgrades in the wholesale book and also due to the Bank reversing provision of Rs 8.01bn on SR book.

**Net Interest Margin** – NIM expanded marginally on sequential basis due to moderate improvements in asset quality and spread: NIM was at 3.97%, up 4bps QoQ but down -9bps YoY. The benefit to NIM from improved asset quality and spread was 2 bps each. Management stated that the impact due to differential in the number of days is negligible. Management highlighted that the bank runs a tightly matched duration for assets and liabilities from an interest rate perspective and, as a result, the bank is able to manage interest rate upcycles and downcycles well. The margin is having a cushion over the structural margin of 3.8% and the bank would try to retain as much of this.

**Balance sheet growth** – Loan growth remained relatively sluggish but management stated that the environment has improved for the bank: The advances for the bank stood at Rs 10,408 bn, up by 2.6% QoQ and 7.8% YoY. Assuming the liquidity created flows into the deposit side, one will see growth coming back. They further stated that the CD ratio has not declined due to any regulatory nudge. The CD ratio is not a constraining factor for the bank. The bank had stated that it would dial up growth when it would find the conditions right and the sequential loan growth are early signs of this.

We reiterate BUY rating on AXSB with a revised price target of Rs 1475: We value the standalone bank at 1.7x FY27 P/BV for an FY26/27E RoE profile of 14.6/14.5%. We assign a value of Rs 171 per share to the subsidiaries, on SOTP.

(See Comprehensive con call takeaways on page 2 for significant incremental colour.)

### Other Highlights (See “Our View” above for elaboration and insight)

- **Opex control:** Total cost to income ratio was at 47.8% up by 158/84bps QoQ/YoY and the Cost to assets was at 2.5% up/down by 12/-8bps QoQ/YoY.
- **Fee income:** Core fee income to average assets was at 1.6%, up 18/5bps QoQ/YoY.

### Exhibit 1: Result table

(Rs mn)	Q4 FY25	Q3 FY25	% qoq	Q4 FY24	% yoy
Total Interest Income	312,425	309,539	0.9	292,245	6.9
Interest Expense	(174,320)	(173,481)	0.5	(161,355)	8.0
Net Interest Income	138,105	136,059	1.5	130,890	5.5
Fee Income	63,380	54,550	16.2	56,370	12.4
Non-fee Income	4,415	5,172	(14.6)	11,288	(60.9)
Total Non-Interest Income	67,795	59,722	13.5	67,658	0.2
Total Income	205,901	195,781	5.2	198,548	3.7
Employee Expense	(29,615)	(29,846)	(0.8)	(29,235)	1.3
Non-employee Opex	(68,762)	(60,596)	13.5	(63,956)	7.5
Total Operating expenses	(98,377)	(90,442)	8.8	(93,191)	5.6
PPOP	107,524	105,339	2.1	105,357	2.1
Provisions	(13,594)	(21,556)	(36.9)	(11,853)	14.7
PBT	93,930	83,782	12.1	93,504	0.5
Tax	(22,755)	(20,745)	9.7	(22,207)	2.5
PAT	71,175	63,038	12.9	71,297	(0.2)

Source: Company, YES Sec-Research

Recommendation	: BUY
Current price	: Rs 1,207
Target price	: Rs 1,475
Potential return	: +22%

### Stock data (as on April 24, 2025)

Nifty	24,247
52 Week h/l (Rs)	1340 / 934
Market cap (Rs/USD mn)	3738283 / 43826
Outstanding Shares (mn)	3,097
6m Avg t/o (Rs mn):	9,123
Div yield (%):	0.1
Bloomberg code:	AXSB IN
NSE code:	AXISBANK

### Stock performance



	1M	3M	1Y
Absolute return	10.0%	27.3%	13.5%

### Shareholding pattern (As of Mar'25 end)

Promoter	7.9%
FII+DII	82.0%
Others	6.8%

### Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	1475	1400

### Financial Summary

(Rs mn)	FY25	FY26E	FY27E
NII	543,478	592,043	691,373
PPOP	421,049	464,496	543,460
Net Profit	263,735	281,476	330,885
Growth (%)	6.1	6.7	17.6
EPS (Rs)	85.1	90.9	104.7
BVPS (Rs)	580	666	790
P/E (x)	12.2	11.4	9.9
P/BV (x)	1.8	1.6	1.3
ROE (%)	15.9	14.6	14.5
ROA (%)	1.7	1.6	1.7
Tier-1 (%)	15.1	15.5	16.3

### Δ in earnings estimates

Rs.	FY25E	FY26E	FY27E
EPS (New)	NA	90.9	104.7
EPS (Old)	NA	90.5	104.4
% change	NA	0.4%	0.4%

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## COMPREHENSIVE CON-CALL TAKEAWAYS

### Asset quality

- **Slippages**
  - Gross NPA additions amounted to Rs 48.05bn for 4QFY25, translating to an annualized slippage ratio of 1.9% for the quarter. (Gross NPA additions had amounted to Rs 54.32bn during 3QFY25.)
  - **Segmental split**
    - Retail – Rs 45.07bn.
    - CBG – Rs 1.96bn
    - Corporate – Rs 1.02bn
  - **More on slippages**
    - The credit card portfolio of the bank is stabilizing while the PL portfolio will take a few more quarters to stabilize.
    - 30% of slippages are linked accounts which were standard when classified or upgraded during the quarter.
- **Recoveries and upgrades**
  - Recoveries and upgrades amounted to Rs 27.9bn for 4QFY25, implying net NPA addition of Rs 20.15bn for the quarter.
- **Provisions**
  - **P&L provisions**
    - Provisions were Rs 13.59bn, down by -36.9% QoQ but up 14.7% YoY, translating to all-inclusive annualised credit cost of 53bps.
    - **Reason for decline in credit cost**
      - Provisions were driven lower largely by upgrades in the wholesale book.
      - The Bank has also reversed provision of Rs 8.01bn on government guaranteed SRs issued by NARCL.
    - **Credit cost**
      - Specific loan loss provisions for Q4FY25 were Rs 13.69bn.
      - Reported net credit cost amounted to 50 bps for the quarter (presumably based only on specific provisions).
    - **Balance sheet provisions**
      - PCR amounted to 75%.
      - Standard asset provisions amounted to 1.2% of loan book.
      - All standard and specific provisions taken together provides 157% coverage on GNPA book.
      - **Breakup of cumulative non-NPA provisions of Rs 119.57bn**
        - ECL – Rs 50.12bn
        - Restructured book – Rs 3.92bn
        - Standard asset – Rs 18.68bn
        - Weak assets and other – Rs 46.85bn
  - **Policy**
    - The Bank has made criteria for upgrade and classification of certain type of loans more stringent which may negatively impact credit cost, upgrades and recoveries in FY26 when compared to FY25.
    - This is the last of such tightening that we are going to see and peer banks do not follow this approach.

(Con call takeaways continue on the next page)

- **Restructured book**
  - The fund based outstanding of standard restructured loans implemented under resolution framework for COVID-19 stood at Rs 12.09bn or 0.11% of the gross customer assets.
- **NPA ratios**
  - GNPA ratio stands at 1.28%, down -18bps QoQ and -15bps YoY while NNPA ratio stands at 0.33%, down -2bps QoQ but up 2bps YoY.
- **Unsecured retail**
  - The credit card portfolio is stabilizing whereas, it will take the personal loan book a few more quarters.
- **Tariffs impact**
  - The bank has carried out a detailed assessment and based on what is known at the moment, the impact on the portfolio is expected to be negligible whether for offshore or domestic assets.

## Net interest margin

- **NIM for the quarter**
  - NIM for Q4FY25 was at 3.97%, up 4bps QoQ but down -9bps YoY.
  - NIM for FY25 was 3.98%, at 18 bps cushion over through-the-cycle NIM guidance of 3.8%.
  - The Bank has not booked interest income of Rs 5.37bn on SRs which will be done on realization basis or on further clarity on RBI circular.
- **Factors behind sequential expansion**
  - The impact due to differential in the number of days is negligible.
  - The benefit from improved asset quality was 2 bps.
  - The benefit from improved spread was 2 bps.
  - The benefit from interest from income tax refund was 1 bp.
- **RIDF book**
  - The RIDF book has declined by Rs 71.07bn YoY and forms 0.9% of total assets as against 1.46% as of March 2024.
- **LCR Ratio**
  - The average LCR ratio was 118% in 4QFY25.
- **Comments related to margin outlook**
  - **Duration matching**
    - The bank runs a tightly matched duration for assets and liabilities from an interest rate perspective.
    - As a result, the bank is able to manage interest rate upcycles and downcycles well.
  - **Rate cut transmission**
    - The bank reprices repo rate linked book at the end of the quarter.
    - The MCLR depends on the formula and has been repriced lower by 10 bps.
  - **Deposit rate cuts**
    - The bank has reduced SA rate by 25 bps for balances below Rs 5mn and this impacts the entire stock of SA balance.
    - The bank has reduced term deposit rates as well but this will not impact the entire stock.
    - At a system level, retail term deposit rates have been cut 15-20 bps whereas bulk deposit rates have been cut 60-70 bps.

(Con call takeaways continue on the next page)

- **Loan mix**
  - There are still some legs remaining on mix change.
- **Margin guidance**
  - The margin is currently having a cushion over the structural margin of 3.8% and the bank would try to retain as much of the margin as possible.

## Balance sheet growth

- **General comments**
  - Last year deposit growth was a constraint and the bank prioritized growth in certain assets.
  - Now, the bank has reached a stage where both growth and profitability are moving in the right direction.
  - Assuming the liquidity created flows into the deposit side, you will see growth coming back.
- **CD ratio**
  - The CD ratio has not declined due to any regulatory nudge and is a function of deposit growth.
  - The CD ratio is not a constraining factor for the bank.
- **Loan growth**
  - The bank had stated that it would dial up growth when it would find the conditions comfortable.
  - The sequential loan growth of 2.6% are signs of the same.
  - **Loan growth outcomes**
    - The advances for the bank stood at Rs 10,408bn, up by 2.6% QoQ and 7.8% YoY.
    - Loans and investment comprise 89% of total assets, up 149 bps YoY.
    - Retail and CBG advances comprise 71% of total advances, up 5bps YoY.
    - Retail loans grew 7% YoY and 3% QoQ.
    - Small Business Banking (SBB) grew 17% YoY and 4% QoQ.
    - Rural portfolio grew 7% YoY and 5% QoQ
    - Mid-corporate book grew 10% YoY but de-grew -1% QoQ.
    - **MFI Portfolio**
      - MFI constitute 2.1% of total retail loans.
- **Deposits accretion**
  - The deposits were at Rs 11,730bn, up by 7.0% QoQ and 9.8% YoY
  - The CA, SA and TD average balances have grown 6%, 1% and 14%, respectively, on YoY basis.
  - The share of CASA deposits in total deposits on quarterly average basis was at 38%.

## Other income

- **Fee Income**
  - Fee income has grown 16.2% QoQ and 12.4% YoY.
  - 94% of the fee income is granular in nature.
  - Retail fees grew 14% YoY.
- **Other Income**
  - Trading profit and miscellaneous income was at Rs 4.42bn down -15% QoQ.
  - The Bank has booked income on sale of PSLC of Rs 1.69bn in Q4.

(Con call takeaways continue on the next page)

## Operating expenses

- **Total opex**
  - Total Opex, at Rs. 98.38bn, is up 8.8% QoQ and 5.6% YoY.
  - Total opex growth moderated to 6% YoY in FY25 as against 30% YoY growth in FY24.
  - Technology and digital expense grew 7% YoY and constituted 9.3% of the total operating expenses.
  - Cost/income ratio came in at 47.8%, up by 158bps QoQ and 84bps YoY.
  - **PSLC Purchase**
    - The bank is PSL compliant in FY25 at headline level and each sub-segment level.
    - QoQ increase in operating expenses is on account of PSLC purchase of Rs 5.91bn to meet organic shortfall in few sub-segments.
    - Excluding PSLC expense, QoQ cost growth was 2%.
  - **Cost to assets**
    - Cost to assets for 4QFY25 2.51% for the quarter, up 12bps QoQ but down - 8bps YoY.
    - Cost to assets for FY25 was at 2.46%, an improvement of 9 bps YoY.
- **Staff opex**
  - The staff opex is down by -0.8% QoQ but up 1.3% YoY
- **Non-staff opex**
  - Non-staff opex is up by 13.5% QoQ and 7.5% YoY.
  - **Branch expansion**
    - 170 branches were opened during the quarter and 500 branches in FY25.

## Return ratios

- Consolidated RoA and RoE for Q4FY25 stood at 1.88% and 17.11%, respectively.

## Exhibit 2: Key quarterly balance sheet / business data

(Rs mn)	Q4 FY25	Q3 FY25	% qoq	Q4 FY24	% yoy	Q4 FY25*	chg qoq*	chg yoy*
Advances	10,408,113	10,145,641	2.6	9,650,684	7.8	100.0	0bps	0bps
Large/Mid-corporate	2,993,930	2,946,380	1.6	2,781,490	7.6	28.8	-28bps	-6bps
SME	1,185,210	1,141,010	3.9	1,036,540	14.3	11.4	14bps	65bps
Retail	6,228,970	6,058,250	2.8	5,832,650	6.8	59.8	13bps	-59bps
Home Loans	1,671,440	1,675,700	(0.3)	1,658,990	0.8	16.1	-46bps	-113bps
Rural Lending	982,320	936,880	4.9	918,660	6.9	9.4	20bps	-8bps
Auto Loans	583,190	583,590	(0.1)	587,470	(0.7)	5.6	-15bps	-48bps
Personal Loan	773,320	759,690	1.8	715,920	8.0	7.4	-6bps	1bps
Credit Card	430,840	432,250	(0.3)	413,240	4.3	4.1	-12bps	-14bps
LAP	753,160	696,510	8.1	636,730	18.3	7.2	37bps	64bps
SBB	667,570	641,920	4.0	572,190	16.7	6.4	9bps	48bps
CE	118,110	115,290	2.4	121,700	(2.9)	1.1	0bps	-13bps
Others	249,020	216,420	15.1	207,750	19.9	2.4	26bps	24bps
Total Deposits	11,729,520	10,958,828	7.0	10,686,414	9.8	100.0	0bps	0bps
CA	1,667,990	1,436,110	16.1	1,572,680	6.1	14.2	112bps	-50bps
SA	3,113,890	2,892,440	7.7	3,021,330	3.1	26.5	15bps	-173bps
Term	6,947,640	6,630,278	4.8	6,092,404	14.0	59.2	-127bps	222bps
Investments	3,961,418	3,532,834	12.1	3,315,273	19.5	NA	NA	NA
Investments/(Invest.+ Net Adv.) (%)	27.6	25.8	174bps	25.6	200bps	NA	NA	NA
Borrowings	1,841,465	1,892,554	(2.7)	1,968,118	(6.4)	NA	NA	NA
Borrowings/(Borr. + Deposits) (%)	13.6	14.7	-116bps	15.6	-198bps	NA	NA	NA

Source: Company, YES Sec – Research, \*Share in total and change in share

## Exhibit 3: Key quarterly ratios

(%)	Q4 FY25	Q3 FY25	chg qoq	Q4 FY24	chg yoy
Net Interest Margin	3.97	3.93	4bps	4.06	-9bps
Cost of funds	5.50	5.46	4bps	5.43	7bps
CASA	40.8	39.5	127bps	43.0	-222bps
Loan to Deposit ratio	88.7	92.6	-385bps	90.3	-157bps
Non-interest income/Total income	32.9	30.5	242bps	34.1	-115bps
Fee Income/Avg. Total Assets	1.6	1.4	18bps	1.6	5bps
Cost to Income	47.8	46.2	158bps	46.9	84bps
Opex/Avg. Total Assets	2.5	2.4	12bps	2.6	-8bps
Credit Cost	0.5	0.9	-33bps	0.5	3bps
RoE	17.0	15.4	161bps	20.4	-337bps
RoA	1.8	1.6	19bps	2.0	-17bps
Capital Adequacy ratio	17.1	17.0	6bps	16.6	44bps
Tier I Capital Ratio	15.1	15.0	6bps	14.2	87bps
Annualised Slippage Ratio	1.9	2.1	-23bps	1.5	42bps
Provision Coverage*	74.6	76.2	-162bps	78.5	-397bps
Gross NPA	1.3	1.5	-18bps	1.4	-15bps
Net NPA	0.3	0.4	-2bps	0.3	2bps

Source: Company, YES Sec – Research, \*Calculated

## Exhibit 4: Quarterly Actuals Vs Estimates

Q4FY25 (Rs. mn)	Actuals	Estimates	Diff, %
Net Interest Income	138,105	138,987	(0.6)
Pre-Prov. Operating Profit	107,524	111,295	(3.4)
Profit After Tax	71,175	66,803	6.5

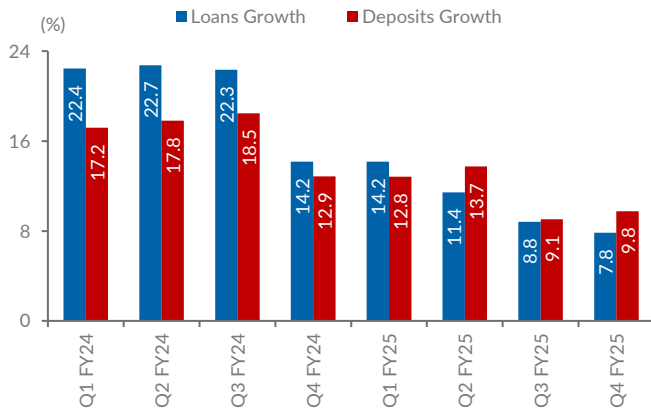
Source: Company, YES Sec – Research

## Exhibit 5: Non-Interest Income Break-up

(Rs mn)	Q4 FY25	Q3 FY25	% qoq	Q4 FY24	% yoy
Total Fee Income (A)	63,380	54,550	16.2	56,370	12.4
Retail Banking fees	47,380	38,810	22.1	41,590	13.9
Corporate & Commercial Banking fee	16,000	15,740	1.7	14,780	8.3
Total Other Income (B)	4,420	5,170	(14.5)	11,290	(60.9)
Trading Income	1,730	3,680	(53.0)	10,210	(83.1)
Miscellaneous Income	2,690	1,490	80.5	1,080	149.1
<b>Total Non-Interest Income (A+B)</b>	<b>67,800</b>	<b>59,720</b>	<b>13.5</b>	<b>67,660</b>	<b>0.2</b>

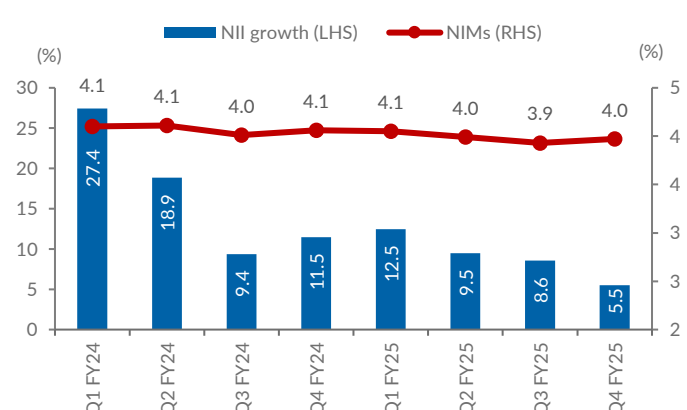
Source: Company, YES Sec – Research

**Exhibit 6: Loans and Deposits growth (YoY %)**



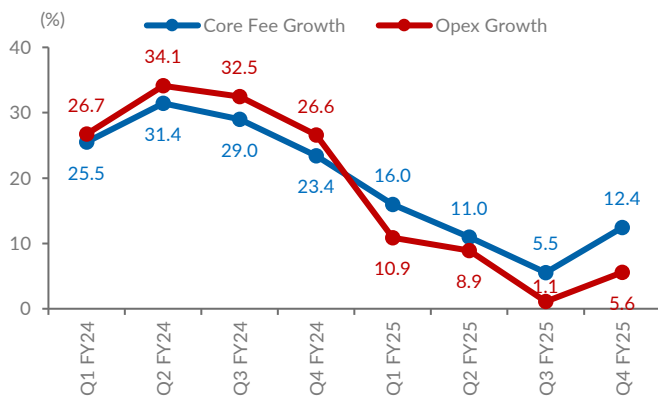
Source: Company, YES Sec – Research

**Exhibit 7: NII growth (YoY %) and NIM**



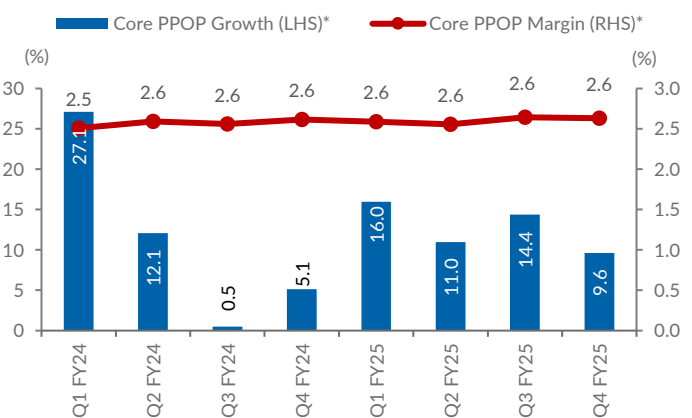
Source: Company, YES Sec – Research

**Exhibit 8: Core Fee and Opex growth (YoY %)**



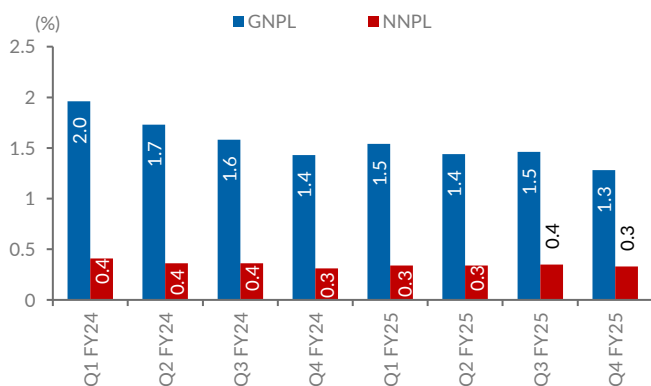
Source: Company, YES Sec – Research

**Exhibit 9: Core PPOP growth (YoY %) and Core PPOP margin**



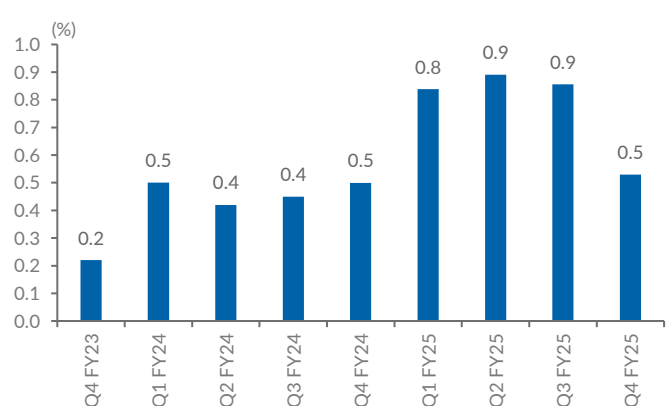
Source: Company, YES Sec – Research, \* Core PPOP is derived by adjusting PPOP for gain/loss on sale of investments and misc. income

**Exhibit 10: Gross NPA and Net NPA (%)**



Source: Company, YES Sec – Research

**Exhibit 11: Credit Cost (%)**



Source: Company, YES Sec – Research



**Exhibit 12: 1-year rolling P/BV band**



Source: Company, YES Sec – Research, N.B. Valuations in this chart are not adjusted / netted out for subsidiaries' value

**Exhibit 13: 1-yr rolling P/BV vis-a-vis the mean and standard deviations**



Source: Company, YES Sec – Research, N.B. Valuations in this chart are not adjusted / netted out for subsidiaries' value

## ANNUAL FINANCIALS

**Exhibit 14: Balance sheet**

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Total cash & equivalents	1,064,108	1,144,544	997,321	1,386,361	1,461,455
Investments	2,888,148	3,315,272	3,961,418	4,384,621	4,973,272
Advances	8,453,028	9,650,684	10,408,113	11,553,006	13,285,956
Fixed assets	47,339	56,846	62,917	69,209	76,130
Other assets	720,632	604,740	669,530	736,483	810,131
<b>Total assets</b>	<b>13,173,255</b>	<b>14,772,086</b>	<b>16,099,299</b>	<b>18,129,678</b>	<b>20,606,944</b>
Net worth	1,254,167	1,510,616	1,797,251	2,063,645	2,496,681
Deposits	9,469,452	10,686,414	11,729,520	13,046,147	15,039,040
Borrowings	1,863,000	1,968,118	1,841,465	2,349,727	2,483,118
Other liabilities	586,636	606,939	731,062	670,160	588,106
<b>Total liabilities incl. Equity</b>	<b>13,173,255</b>	<b>14,772,086</b>	<b>16,099,299</b>	<b>18,129,678</b>	<b>20,606,944</b>

Source: Company, YES Sec – Research

**Exhibit 15: Income statement**

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Interest income	851,638	1,093,686	1,226,770	1,327,374	1,518,872
Interest expense	(422,180)	(594,741)	(683,292)	(735,331)	(827,499)
<b>Net interest income</b>	<b>429,457</b>	<b>498,945</b>	<b>543,478</b>	<b>592,043</b>	<b>691,373</b>
Non-interest income	161,434	224,420	252,571	288,793	326,228
<b>Total income</b>	<b>590,892</b>	<b>723,364</b>	<b>796,049</b>	<b>880,836</b>	<b>1,017,601</b>
Operating expenses	(268,087)	(352,133)	(375,000)	(416,340)	(474,141)
<b>PPoP</b>	<b>322,804</b>	<b>371,232</b>	<b>421,049</b>	<b>464,496</b>	<b>543,460</b>
Provisions	(28,848)	(40,631)	(77,584)	(88,191)	(101,100)
Exceptional Item	(124,898)	0	0	0	0
<b>Profit before tax</b>	<b>169,058</b>	<b>330,601</b>	<b>343,466</b>	<b>376,305</b>	<b>442,360</b>
Taxes	(73,262)	(81,986)	(79,731)	(94,829)	(111,475)
<b>Net profit</b>	<b>95,797</b>	<b>248,614</b>	<b>263,735</b>	<b>281,476</b>	<b>330,885</b>

Source: Company, YES Sec – Research

## Exhibit 16: Du Pont Analysis (RoA tree)

Y/e 31 Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Interest income	6.8	7.8	7.9	7.8	7.8
Interest expense	-3.4	-4.3	-4.4	-4.3	-4.3
<b>Net interest income</b>	<b>3.4</b>	<b>3.6</b>	<b>3.5</b>	<b>3.5</b>	<b>3.6</b>
Non-interest income	1.3	1.6	1.6	1.7	1.7
<b>Total income</b>	<b>4.7</b>	<b>5.2</b>	<b>5.2</b>	<b>5.1</b>	<b>5.3</b>
Operating expenses	-2.2	-2.5	-2.4	-2.4	-2.4
<b>PPoP</b>	<b>2.6</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.8</b>
Provisions	-0.2	-0.3	-0.5	-0.5	-0.5
<b>Profit before tax</b>	<b>1.4</b>	<b>2.4</b>	<b>2.2</b>	<b>2.2</b>	<b>2.3</b>
Taxes	-0.6	-0.6	-0.5	-0.6	-0.6
<b>Net profit</b>	<b>0.8</b>	<b>1.8</b>	<b>1.7</b>	<b>1.6</b>	<b>1.7</b>

Source: Company, YES Sec – Research

## Exhibit 17: Sum of the Parts (SOTP) - Subsidiaries

Subsidiary	Market Cap / Assigned value (Rs mn)	Valuation metric	Metric value (Rs mn)	Trailing multiple	Stake (%)	Stake value (Rs mn)	Per share (Rs)
Axis AMC	321,506	AUM	3,215,057	10.0%	75.0%	241,129	78.1
Max Life	506,709	EV	241,290	2.1x	19.0%	96,376	31.2
Axis Capital	21,340	PAT	1,524	14.0x	100.0%	21,340	6.9
Axis Bank UK	5,197	BV	4,725	1.1x	100.0%	5,197	1.7
Axis Finance	122,059	BV	40,686	3.0x	100.0%	122,059	39.5
Axis Securities	40,490	BV	13,497	3.0x	100.0%	40,490	13.1
<b>Value of Subsidiaries</b>						<b>526,593</b>	<b>170.6</b>

Source: Company, YES Sec – Research

## Exhibit 18: Change in annual estimates

Y/e 31 Mar (Rs mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net Interest Income	NA	592,043	691,373	NA	593,609	691,278	NA	(0.3)	0.0
Pre-Prov. Operating Profit	NA	464,496	543,460	NA	463,576	542,768	NA	0.2	0.1
Profit after tax	NA	281,476	330,885	NA	279,246	328,547	NA	0.8	0.7

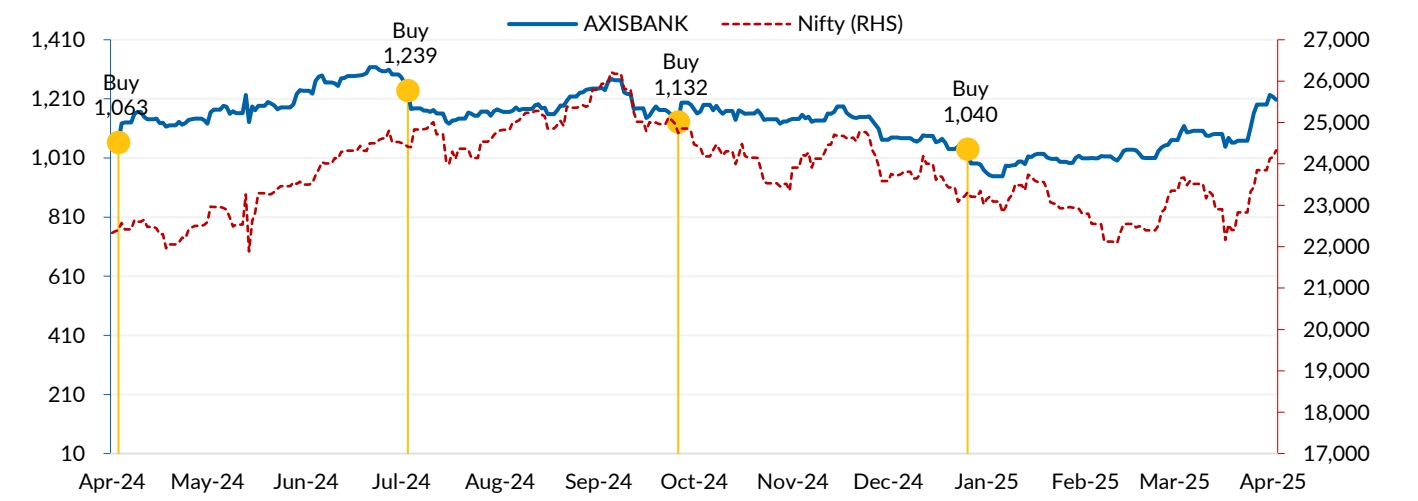
Source: Company, YES Sec – Research

## Exhibit 19: Ratio analysis

Y/e 31 Mar	FY23	FY24	FY25	FY26E	FY27E
<b>Growth matrix (%)</b>					
Net interest income	29.6	16.2	8.9	8.9	16.8
PPoP	30.5	15.0	13.4	10.3	17.0
Net profit	-26.5	159.5	6.1	6.7	17.6
Loans	19.4	14.2	7.8	11.0	15.0
Deposits	15.2	12.9	9.8	11.2	15.3
<b>Profitability Ratios (%)</b>					
Net interest margin	4.0	4.1	4.0	3.9	4.0
Return on Average Equity	8.0	18.0	15.9	14.6	14.5
Return on Average Assets	0.8	1.8	1.7	1.6	1.7
<b>Per share figures (Rs)</b>					
EPS	31.1	80.5	85.1	90.9	104.7
BVPS	408	489	580	666	790
ABVPS	396	479	568	644	764
<b>Valuation multiples</b>					
P/E	33	13	12.2	11.4	9.9
P/BV	2.5	2.1	1.8	1.6	1.3
P/ABV	2.6	2.2	1.8	1.6	1.4
<b>NIM internals (%)</b>					
Yield on loans	8.3	9.6	9.7	9.5	9.6
Cost of deposits	3.6	4.5	5.0	4.9	4.8
Loan-deposit ratio	89.3	90.3	88.7	88.6	88.3
CASA ratio	47.2	43.0	40.8	43.3	43.5
<b>Opex control (%)</b>					
Cost/Income ratio	45.4	48.7	47.1	47.3	46.6
Cost to average assets	2.2	2.5	2.4	2.4	2.4
<b>Capital adequacy (%)</b>					
Tier 1 capital ratio	14.6	14.2	15.1	15.5	16.3
<b>Asset quality (%)</b>					
Slippage ratio	1.9	1.6	1.9	1.8	1.6
Gross NPL ratio	2.2	1.5	1.4	1.6	1.8
Credit cost	0.4	0.4	0.8	0.8	0.8
Net NPL ratio	0.4	0.3	0.4	0.6	0.6

Source: Company, YES Sec - Research; Valuations are the implied value of standalone entity net of subsidiaries

## Recommendation Tracker



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