

| | |
|-------------------------------|---------------|
| CMP | : INR 1,160 |
| Reco | : BUY ↔ |
| Target Price | : INR 1,300 ↓ |
| Target Price Change | : -7% |
| Target 1HFY28 P/BV (x) | : 1.5 |
| EPS Change FY26/ 27 | : -8%/ -4% |

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| Market data | |
|-----------------------|------------|
| Sensex | : 82,259 |
| Sector | : Banks |
| Market Cap (INR bn) | : 3,597.1 |
| Market Cap (USD bn) | : 41.789 |
| O/S Shares (mn) | : 3,101.5 |
| 52-wk HI/LO (INR) | : 1319/934 |
| Avg. Daily Vol ('000) | : 4,619 |
| Bloomberg | : AXSB IN |

Source: Bloomberg

| Valuation | | | |
|------------|-------|-------|-------|
| | FY26e | FY27e | FY28e |
| EPS (INR) | 82.6 | 102.8 | 122.4 |
| BVPS (INR) | 632.6 | 731.7 | 849.8 |
| PE (x) | 12.9 | 10.2 | 9.5 |
| P/BV (x) | 1.7 | 1.4 | 1.2 |
| RoA (%) | 1.5 | 1.7 | 1.8 |

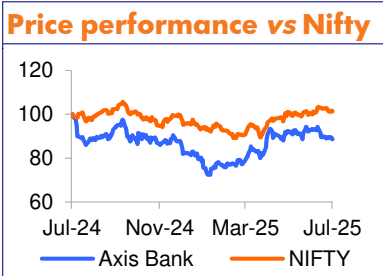
Source: Company *adjusted for investment in subsidiaries

| Returns (%) | | | | |
|-------------|-----|-----|----|------|
| | 1m | 3m | 6m | 12m |
| Absolute | (5) | (3) | 17 | (11) |
| Relative | (5) | (7) | 9 | (12) |

Source: Bloomberg

| Shareholding pattern | |
|----------------------|-------|
| Promoters | : 8% |
| Public | : 92% |
| Others | : 0% |

Source: Bloomberg



Source: Bloomberg Indexed to 100

1QFY26 RESULT REVIEW

Axis Bank

Miss on core parameters; slippages rise sharply with jump in credit cost

Axis Bank (AXSB) reported a PAT of INR 58 bn (-4% YoY), RoA of 1.4% vs. our and consensus estimates of INR 66 bn/ INR 64 bn respectively. The miss on PAT was primarily due to technical impact of slippage recognition of INR 27 bn leading to an additional provision of INR 8.2 bn during the quarter, while total slippages stood at INR 82 bn. Overall credit cost increased from 0.53% to 1.5% QoQ, which even after adjusting for one-off stood elevated at 1.2%. NII grew 1% YoY/ -2% QoQ (2% lower than estimate) as NIM declined sharply by 17 bps QoQ due to decline in yields on account of cut in repo rate, which partially was offset by 11 bps QoQ decline in cost of funds. Fees grew 10% YoY and operating leverage benefit (cost growth of 2% YoY, cost to assets at 2.2%) supported core PPP growth of 5% YoY. Other non-core income growth was higher as treasury gains increased from INR 1.7 bn to INR 14 bn QoQ leading to operating profit growth of 14% YoY/ 7% QoQ. Loan growth remained below industry average at 8% YoY (2% QoQ), led by corporate loans (5.5% QoQ) and SME loan growth of 2% QoQ while the retail segment was flat QoQ. Deposits grew 9% YoY (-1% QoQ), within which CASA grew 5% YoY (-2% QoQ) and CASA ratio stood at 40.3%. Domestic LD ratio increased from 85% to 88% QoQ. We cut our FY26/ 27 earnings estimate by 8%/ 4% respectively and introduce FY28 estimate and cut our TP to INR 1,300 (INR 1,400 earlier), based on revised target multiple of 1.5x 1HFY28E and INR 106 for subsidiaries. Maintain BUY.

NIM declined sharply, strong treasury gain led to higher PPP growth

NII at INR 136 bn grew 1% YoY as NIM declined by 17 bps QoQ to 3.8%. The NIM decline was sharp due to the bank's higher share of repo book (59%), which was impacted due to cut in repo rate. Management has stated that the bank has taken full impact of the 25bps cut in 1Q and another 75bps of rate cut taken have been absorbed only for part of the quarter and full impact will be reflected in next quarter. NIM was partially supported by a decline in cost of funds (-11 bps QoQ) due to the bank's SA ratecut. Fees grew 10% YoY (-9% QoQ) and opex grew by 2% YoY (cost to assets declined from 2.4% to 2.2% QoQ). Credit cost increased to 1.5% vs. 0.5% QoQ on account of seasonal/ technical factors. PAT declined 4% YoY/ 18% QoQ; RoA of 1.4%.

Loan growth was led by the corporate segment, while the retail portfolio remained flat QoQ

Loans grew 2% QoQ/ 8% YoY led by corporate portfolio growth of 8.5% YoY/ 5.5% QoQ, SME book grew 16% YoY/ 2% QoQ while retail was flat QoQ (+6.5% YoY). Within retail, personal loans and credit cards combined grew 4% YoY (flat QoQ), LAP (5% QoQ and 21% YoY), home loan was flat YoY (-1% QoQ) and auto loans declined 2% YoY. Deposits de-grew 1% QoQ while it grew 2% QoQ/ 8% YoY on QAB basis. Overall CASA growth was 5% YoY/ -2% QoQ and CASA ratio declined from 41% to 40% QoQ. Management is confident of loan book growth faster than industry in the current year, which remains a key monitorable going ahead.

Gross slippages increased sharply

Gross slippage ratio increased from 2% to 3.3% QoQ which adjusted for technical factor stood at 2.2%. Overall gross slippages stood at INR 82 bn which includes slippages of INR 27 bn from the technical impact on account of recognition related to cash credit, overdraft accounts, and one-time settlement. Management alluded to the change in recognition policy having led to additional slippage and credit cost, mainly led by the retail segment. Retail slippages increased from 3.1% to 5.1% QoQ (3.6% on adjusted basis). GNPL/ NNPL ratio inched up from 1.3%/ 0.3% to 1.6%/ 0.5% QoQ respectively. CET 1 stood at 14.7% and RWA to total assets increase from 72% to 75% QoQ.

Investment Summary

Overall, AXSB's performance was weak in terms of margins, growth, and asset quality, which continues to remain the factor that it is lagging in comparison to peers. Re-rating of the stock remains contingent on growth, asset quality, and higher credit cost. Though loan growth has improved sequentially it remained lower than industry growth and retail growth continues to remain muted, which will remain the key to watch for. We cut our FY26/ 27 EPS estimates by 8%/ 4% respectively and introduce FY28 estimate. We expect the bank to deliver RoA/ RoE of 1.5%/ 1.7% and RoE of 13%-15% over FY26/ 27E. Maintain BUY with a revised TP of INR 1,300 (based on 1.5x 1HFY28E BV) and we assign INR 106 for the subsidiaries.

Table 1: Quarterly earnings

| Profit and Loss (INR m) | 1QFY26 | 1QFY25 | YoY % | 4QFY25 | QoQ % | 1QFY26E | Deviation (%) |
|-------------------------------|-----------------|-----------------|-------------|-----------------|--------------|-----------------|---------------|
| Net Interest Income | 1,35,598 | 1,34,482 | 0.8 | 1,38,105 | -1.8 | 1,38,847 | -2.3 |
| Other Income | 72,581 | 57,835 | 25.5 | 67,795 | 7.1 | 68,012 | 6.7 |
| Reported Fee income | 57,460 | 52,040 | 10.4 | 63,380 | -9.3 | 62,112 | -7.5 |
| Core Income | 1,93,058 | 1,86,522 | 3.5 | 2,01,485 | -4.2 | 2,00,960 | -3.9 |
| Other non core Income | 15,121 | 5,795 | 160.9 | 4,415 | 242.5 | 5,900 | 156.3 |
| Total income | 2,08,178 | 1,92,317 | 8.2 | 2,05,901 | 1.1 | 2,06,860 | 0.6 |
| Operating Expenses | 93,027 | 91,255 | 1.9 | 98,377 | -5.4 | 96,716 | -3.8 |
| Employee | 32,618 | 31,295 | 4.2 | 29,615 | 10.1 | 31,392 | 3.9 |
| Others | 60,409 | 59,960 | 0.7 | 68,762 | -12.1 | 65,323 | -7.5 |
| Core Operating Profits | 1,00,031 | 95,268 | 5.0 | 1,03,109 | -3.0 | 1,04,244 | -4.0 |
| Operating Profits | 1,15,152 | 1,01,062 | 13.9 | 1,07,524 | 7.1 | 1,10,144 | 4.5 |
| Provisions | 39,477 | 20,393 | 93.6 | 13,594 | 190.4 | 21,222 | 86.0 |
| PBT | 75,675 | 80,670 | -6.2 | 93,930 | -19.4 | 88,921 | -14.9 |
| Taxes | 17,614 | 20,323 | -13.3 | 22,755 | -22.6 | 22,675 | -22.3 |
| Reported PAT | 58,061 | 60,346 | -3.8 | 71,175 | -18.4 | 66,246 | -12.4 |

Source: Company, Antique

Table 2: We cut our FY26/ 27 earnings estimate by 8%/ 4% respectively

| INR bn | Old Estimates | | New Estimates | | Change (%) | |
|----------------------------|---------------|--------------|---------------|--------------|-------------|-------------|
| | FY26 | FY27 | FY26 | FY27 | FY26 | FY27 |
| Net Interest Income | 566.9 | 648.4 | 554.6 | 646.9 | -2.2 | -0.2 |
| Other Income | 284.1 | 329.9 | 285.8 | 317.0 | 0.6 | -3.9 |
| Total Income | 851.0 | 978.4 | 840.4 | 963.9 | -1.3 | -1.5 |
| Operating Expenses | 401.1 | 449.2 | 397.3 | 444.9 | -0.9 | -0.9 |
| Operating Profits | 450.0 | 529.2 | 443.1 | 518.9 | -1.5 | -1.9 |
| Provisions | 76.4 | 85.7 | 102.1 | 94.3 | 33.6 | 10.0 |
| PBT | 373.6 | 443.5 | 341.0 | 424.6 | -8.7 | -4.3 |
| PAT | 278.3 | 330.4 | 255.8 | 318.5 | -8.1 | -3.6 |

Source: Company, Antique

Exhibit 1: One-year forward P/BV - Trading below its long-term average



Source: Company, Antique

Table 3: Quarterly DUPONT: RoA declined to 1.4% (% of average assets)

| | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24 | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net Interest Income | 3.5 | 3.6 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.4 | 3.2 |
| Fee based income | 1.3 | 1.4 | 1.5 | 1.5 | 1.3 | 1.4 | 1.4 | 1.6 | 1.4 |
| Core Income | 4.8 | 5.0 | 5.0 | 5.0 | 4.8 | 4.9 | 4.8 | 4.9 | 4.6 |
| Operating Expenses | 2.4 | 2.5 | 2.5 | 2.5 | 2.4 | 2.5 | 2.3 | 2.4 | 2.2 |
| Employee expenses | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.7 | 0.8 |
| Other | 1.61 | 1.77 | 1.75 | 1.70 | 1.5 | 1.6 | 1.5 | 1.7 | 1.4 |
| Core Operating Profits | 2.4 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.4 |
| Trading and others | 0.17 | 0.02 | 0.11 | 0.30 | 0.15 | 0.31 | 0.13 | 0.11 | 0.36 |
| Operating Profits | 2.6 | 2.5 | 2.6 | 2.8 | 2.6 | 2.8 | 2.7 | 2.6 | 2.7 |
| Provisions | 0.3 | 0.2 | 0.3 | 0.3 | 0.5 | 0.6 | 0.5 | 0.3 | 0.9 |
| NPA | 0.3 | 0.3 | 0.2 | 0.2 | 0.7 | 0.4 | 0.6 | 0.3 | 0.9 |
| PBT | 2.3 | 2.3 | 2.3 | 2.5 | 2.1 | 2.2 | 2.1 | 2.3 | 1.8 |
| Taxes | 0.6 | 0.6 | 0.6 | 0.6 | 0.5 | 0.4 | 0.5 | 0.6 | 0.4 |
| Tax Rate | 25.5 | 25.0 | 25.2 | 23.8 | 25.2 | 18.7 | 24.8 | 24.2 | 23.3 |
| Adjusted ROA* | 1.7 | 1.7 | 1.7 | 1.9 | 1.6 | 1.8 | 1.6 | 1.7 | 1.4 |
| Leverage (x) | 10.7 | 10.3 | 10.1 | 10.2 | 10.0 | 9.6 | 9.3 | 9.3 | 9.2 |
| ROE | 18.1 | 17.4 | 17.3 | 19.3 | 15.6 | 17.1 | 14.9 | 16.2 | 12.7 |

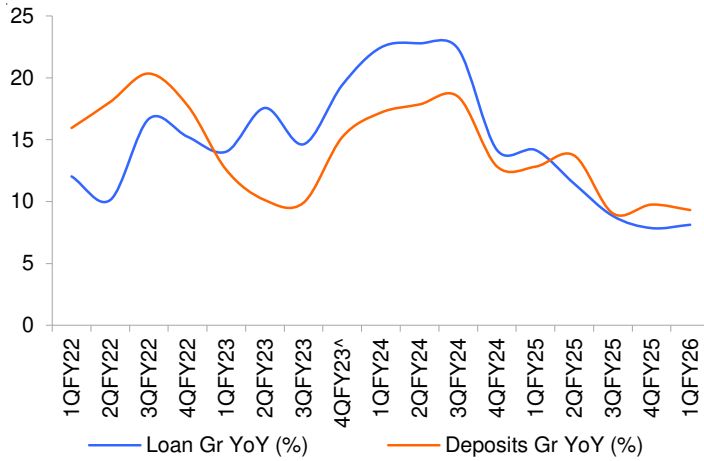
Source: Company, Antique

Table 4: DUPONT Analysis: RoA expected to be at 1.5%-1.8% over FY26-28E respectively

| Y/E MARCH | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
|------------------------------|------------|------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|
| Net Interest Income | 2.9 | 3.1 | 3.1 | 3.4 | 3.6 | 3.5 | 3.3 | 3.5 | 3.5 |
| Fee income | 1.3 | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 | 1.5 | 1.6 | 1.6 |
| Core Income | 4.2 | 4.2 | 4.3 | 4.7 | 5.0 | 5.0 | 4.8 | 5.0 | 5.1 |
| Operating Expenses | 2.0 | 1.9 | 2.2 | 3.2 | 2.52 | 2.43 | 2.36 | 2.38 | 2.38 |
| Employee cost | 0.6 | 0.6 | 0.7 | 0.7 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Others | 1.4 | 1.3 | 1.5 | 2.5 | 1.7 | 1.6 | 1.6 | 1.6 | 1.6 |
| Core Operating Profit | 2.2 | 2.3 | 2.1 | 1.6 | 2.5 | 2.5 | 2.4 | 2.6 | 2.8 |
| Non Interest income | 1.8 | 1.3 | 1.4 | 1.3 | 1.6 | 1.6 | 1.7 | 1.7 | 1.7 |
| Operating Profit | 2.7 | 2.4 | 2.3 | 1.6 | 2.7 | 2.7 | 2.6 | 2.8 | 2.9 |
| Provisions | 2.2 | 1.5 | 0.7 | 0.2 | 0.3 | 0.5 | 0.6 | 0.5 | 0.5 |
| NPA | 1.5 | 1.2 | 0.5 | 0.3 | 0.3 | 0.5 | 0.6 | 0.5 | 0.5 |
| PBT | 0.6 | 0.9 | 1.6 | 1.4 | 2.4 | 2.2 | 2.0 | 2.3 | 2.4 |
| Tax | 0.4 | 0.2 | 0.4 | 0.6 | 0.6 | 0.5 | 0.5 | 0.6 | 0.6 |
| Tax Rate | 66.8 | 25.2 | 25.1 | 43.3 | 24.8 | 23.2 | 25.0 | 25.0 | 25.0 |
| RoA | 0.2 | 0.7 | 1.2 | 0.8 | 1.8 | 1.7 | 1.5 | 1.7 | 1.8 |
| Leverage (x) | 11.3 | 10.2 | 10.0 | 10.4 | 10.2 | 9.4 | 8.8 | 8.5 | 8.3 |
| RoE | 2.1 | 7.1 | 12.0 | 8.0 | 18.1 | 16.0 | 13.4 | 14.5 | 14.9 |

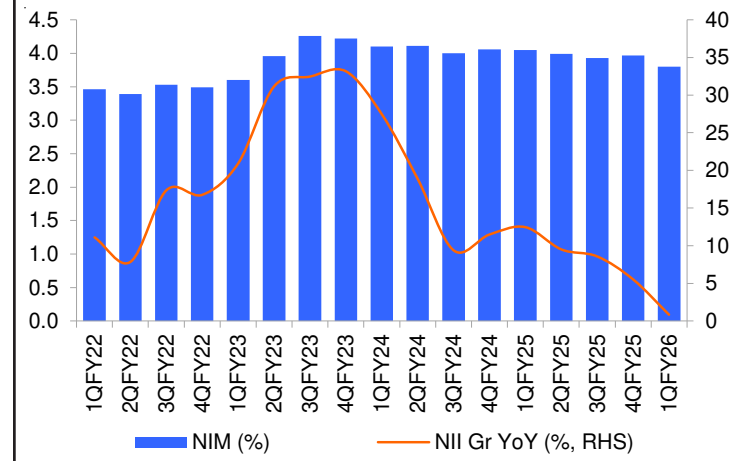
Source: Company, Antique

Exhibit 2: Loan growth remained below industry average



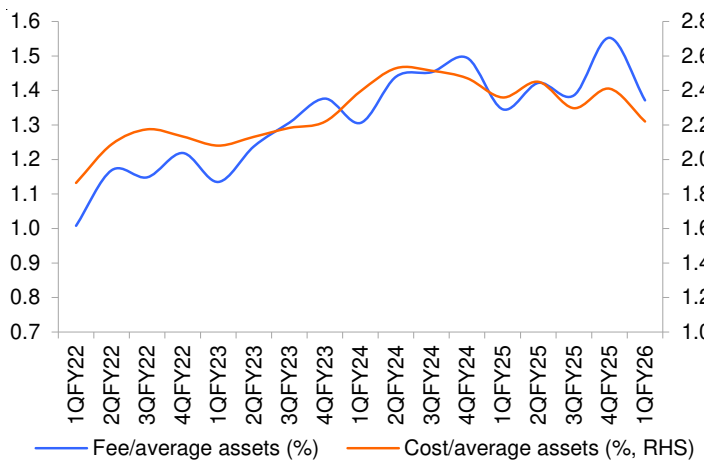
Source: Company, Antique; ^ Post Citi acquisition

Exhibit 3: NIM declined sharply on QoQ basis



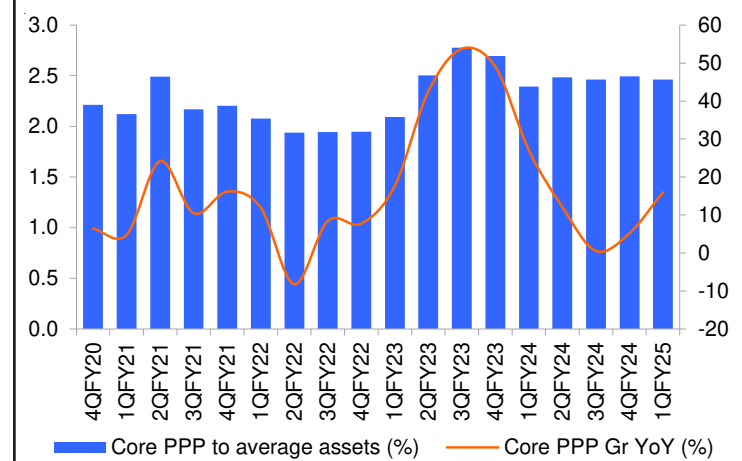
Source: Company, Antique

Exhibit 4: Fee to average assets declined sequentially



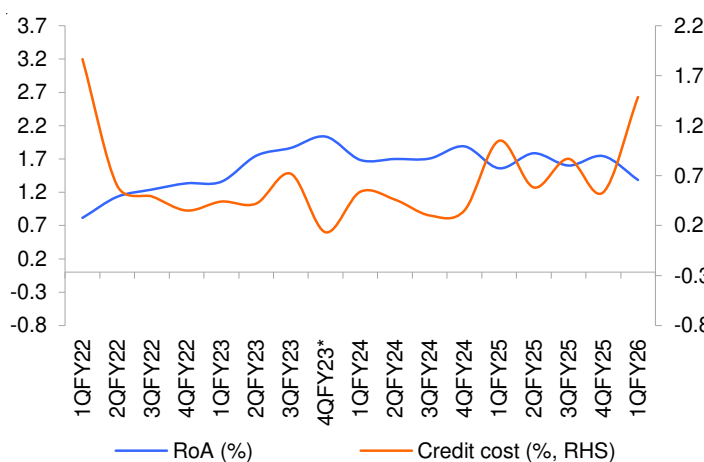
Source: Company, Antique

Exhibit 5: Core PPP to assets declined sequentially



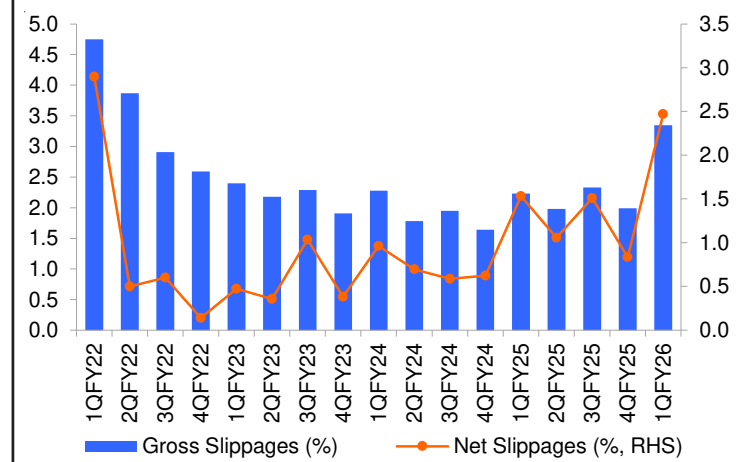
Source: Company, Antique

Exhibit 6: RoA declined with rising credit costs



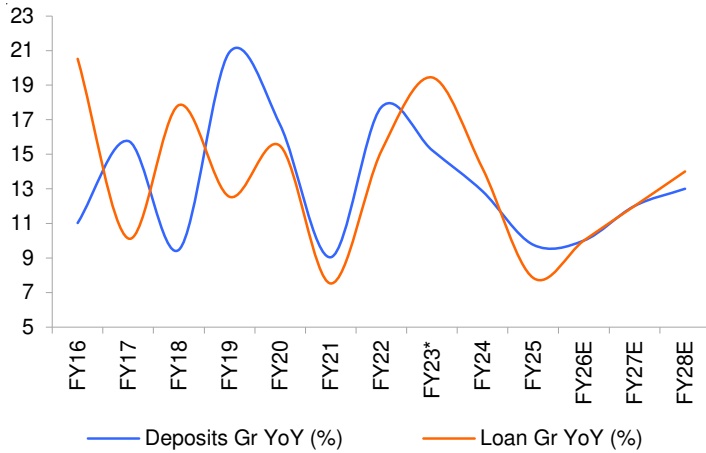
Source: Company, Antique; * Adjusted RoA

Exhibit 7: Gross and net slippages increased QoQ



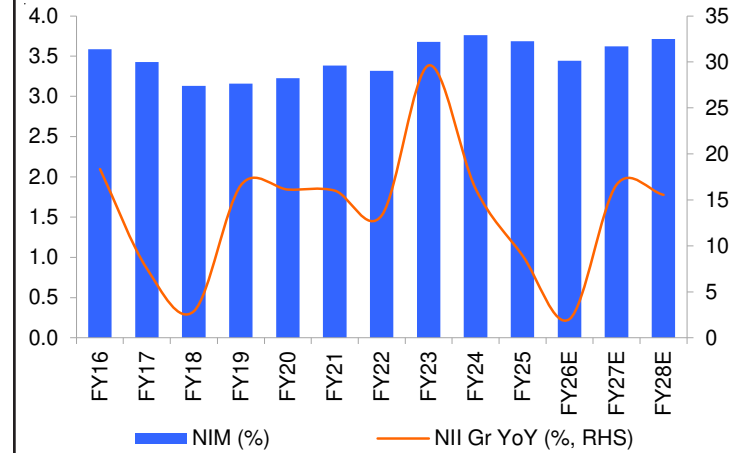
Source: Company, Antique

Exhibit 8: We are building in loan growth improvement ahead



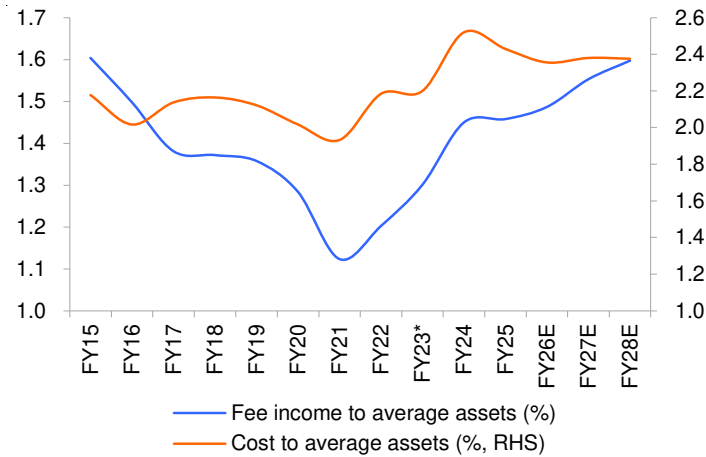
Source: Company, Antique; * FY23 numbers are post Citi acquisition

Exhibit 9: NIM is expected to be under pressure in FY26



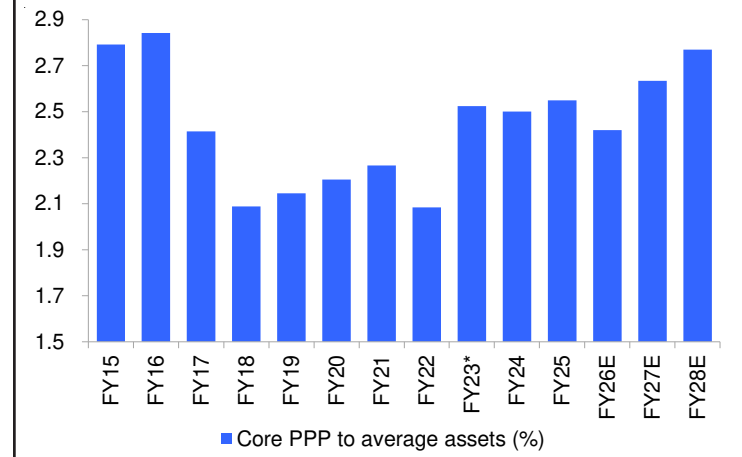
Source: Company, Antique

Exhibit 10: Fee income contribution expected to increase gradually



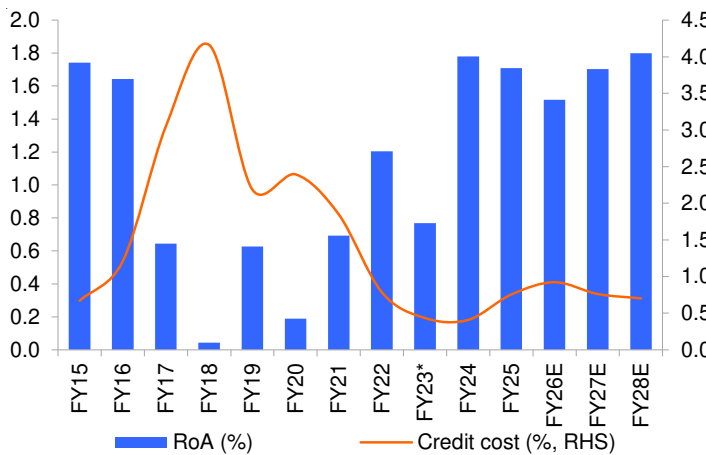
Source: Company, Antique; * Adjusted against Citi's one-off exceptional item

Exhibit 11: Core PPP contribution expected to be healthy



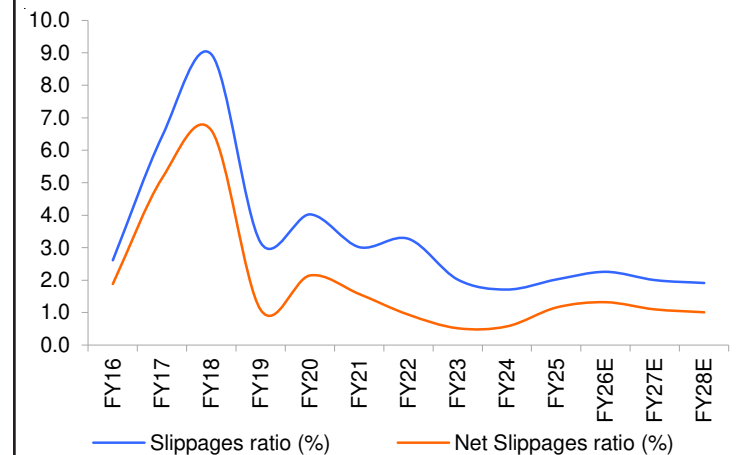
Source: Company, Antique; * Adjusted against Citi's one-off exceptional item

Exhibit 12: RoA expected to be at 1.7%-1.8% over FY27-28E



Source: Company, Antique; * FY23 RoA is after considering impact of Citi acquisition

Exhibit 13: Slippages expected to be higher in FY26



Source: Company, Antique

Table 5: Quarterly snapshot

| (INRm) | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24 | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | QoQ (%) | YoY (%) |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------|-----------|
| Profit and Loss | | | | | | | | | | | |
| Interest Income | 2,55,568 | 2,66,262 | 2,79,611 | 2,92,245 | 3,00,607 | 3,04,199 | 3,09,539 | 3,12,425 | 3,10,635 | -1 | 3 |
| Loans | 2,01,347 | 2,12,563 | 2,23,645 | 2,33,512 | 2,37,188 | 2,42,611 | 2,46,408 | 2,45,796 | 2,44,081 | -1 | 3 |
| Investment | 47,830 | 47,998 | 50,894 | 53,384 | 55,808 | 54,435 | 58,088 | 60,951 | 61,430 | 1 | 10 |
| Others | 6,391 | 5,701 | 5,073 | 5,350 | 7,611 | 7,152 | 5,044 | 5,678 | 5,125 | -10 | -33 |
| Interest Expenses | 1,35,980 | 1,43,116 | 1,54,290 | 1,61,355 | 1,66,125 | 1,69,367 | 1,73,481 | 1,74,320 | 1,75,038 | 0 | 5 |
| Net Interest Income | 1,19,588 | 1,23,146 | 1,25,322 | 1,30,890 | 1,34,482 | 1,34,832 | 1,36,059 | 1,38,105 | 1,35,598 | -2 | 1 |
| Other Income | 50,873 | 50,341 | 55,548 | 67,658 | 57,835 | 67,219 | 59,722 | 67,795 | 72,581 | 7 | 25 |
| Total Income | 1,70,460 | 1,73,486 | 1,80,870 | 1,98,548 | 1,92,317 | 2,02,051 | 1,95,781 | 2,05,901 | 2,08,178 | 1 | 8 |
| Operating Expenses | 82,317 | 87,168 | 89,457 | 93,191 | 91,255 | 94,926 | 90,442 | 98,377 | 93,027 | -5 | 2 |
| Employee | 26,885 | 26,098 | 27,113 | 29,235 | 31,295 | 31,172 | 29,846 | 29,615 | 32,618 | 10 | 4 |
| Others | 55,432 | 61,070 | 62,344 | 63,956 | 59,960 | 63,754 | 60,596 | 68,762 | 60,409 | -12 | 1 |
| Operating Profits | 88,144 | 86,319 | 91,412 | 1,05,357 | 1,01,062 | 1,07,125 | 1,05,339 | 1,07,524 | 1,15,152 | 7 | 14 |
| Provisions | 10,349 | 8,146 | 10,283 | 11,853 | 20,393 | 22,041 | 21,556 | 13,594 | 39,477 | 190 | 94 |
| PBT | 77,795 | 78,173 | 81,129 | 93,504 | 80,670 | 85,084 | 83,782 | 93,930 | 75,675 | -19 | -6 |
| Taxes | 19,824 | 19,537 | 20,418 | 22,207 | 20,323 | 15,908 | 20,745 | 22,755 | 17,614 | -23 | -13 |
| PAT | 57,971 | 58,636 | 60,711 | 71,297 | 60,346 | 69,176 | 63,038 | 71,175 | 58,061 | -18 | -4 |
| Adjusted PAT | 57,971 | 58,636 | 60,711 | 71,297 | 60,346 | 69,176 | 63,038 | 71,175 | 58,061 | -18 | -4 |
| Asset Quality | | | | | | | | | | | |
| GNPA | 1,81,582 | 1,67,567 | 1,58,930 | 1,51,271 | 1,62,113 | 1,54,662 | 1,58,503 | 1,44,901 | 1,77,647 | 23 | 10 |
| NNPA | 37,036 | 34,413 | 35,269 | 32,475 | 35,530 | 36,125 | 37,748 | 36,855 | 50,660 | 37 | 43 |
| GNPA (%) | 2.0 | 1.7 | 1.6 | 1.4 | 1.5 | 1.4 | 1.5 | 1.3 | 1.6 | | |
| NNPA (%) | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 | 0.3 | 0.4 | 0.3 | 0.5 | | |
| PCR (Calculated, %) | 80 | 79 | 78 | 79 | 78 | 77 | 76 | 75 | 71 | | |
| Slippages | 39,900 | 32,540 | 37,150 | 34,710 | 47,930 | 44,430 | 54,320 | 48,050 | 82,000 | 71 | 71 |
| Slippage Ratio (%) | 2.3 | 1.8 | 1.9 | 1.6 | 2.2 | 2.0 | 2.3 | 2.0 | 3.3 | | |
| Net Slippages | 16,850 | 12,690 | 11,170 | 13,160 | 32,900 | 23,740 | 35,170 | 20,150 | 60,530 | 200 | 84 |
| Net Slippage Ratio (%) | 1.0 | 0.7 | 0.6 | 0.6 | 1.5 | 1.1 | 1.5 | 0.8 | 2.5 | | |
| Credit Cost (%) | 0.5 | 0.5 | 0.3 | 0.4 | 1.0 | 0.6 | 0.9 | 0.5 | 1.5 | | |
| Ratios (%) | | | | | | | | | | | |
| Cost to Core Income | 68.8 | 70.8 | 71.4 | 71.2 | 67.9 | 70.4 | 66.5 | 71.2 | 68.6 | | |
| Tax Rate | 25.5 | 25.0 | 25.2 | 23.8 | 25.2 | 18.7 | 24.8 | 24.2 | 23.3 | | |
| CASA (Cal.) | 45.5 | 44.4 | 42.1 | 43.0 | 41.8 | 40.6 | 39.5 | 40.8 | 40.3 | | |
| Loan/Deposit | 91.2 | 93.9 | 92.8 | 90.3 | 92.2 | 92.0 | 92.6 | 88.7 | 91.2 | | |
| RoA (cal) | 1.8 | 1.8 | 1.8 | 2.0 | 1.6 | 1.9 | 1.7 | 1.8 | 1.4 | | |
| RoE (Cal) | 18.1 | 17.4 | 17.3 | 19.3 | 15.6 | 17.1 | 14.9 | 16.2 | 12.7 | | |
| Margins - Cal (%) | | | | | | | | | | | |
| Yield on loans | 9.5 | 9.7 | 9.8 | 9.8 | 9.8 | 9.8 | 9.8 | 9.6 | 9.3 | | |
| Yield On Investments | 6.7 | 6.6 | 6.7 | 6.7 | 6.9 | 6.5 | 6.6 | 6.5 | 6.5 | | |
| Yield on Funds | 8.3 | 8.6 | 8.6 | 8.5 | 8.5 | 8.6 | 8.6 | 8.4 | 8.1 | | |
| Cost of funds | 4.8 | 5.1 | 5.3 | 5.2 | 5.3 | 5.4 | 5.4 | 5.3 | 5.2 | | |
| NIMs | 3.9 | 4.0 | 3.9 | 3.8 | 3.8 | 3.8 | 3.8 | 3.7 | 3.5 | | |
| Margins - Reported (%) | | | | | | | | | | | |
| Cost of Funds | 5.0 | 5.2 | 5.4 | 5.4 | 5.4 | 5.5 | 5.5 | 5.5 | 5.4 | | |
| NIMs | 4.1 | 4.1 | 4.0 | 4.1 | 4.1 | 4.0 | 3.9 | 4.0 | 3.8 | | |
| Domestic NIMs | 4.2 | 4.2 | 4.1 | 4.2 | 4.1 | 4.1 | 4.1 | 4.1 | 3.9 | | |

Source: Company, Antique

Quarterly Snapshot continued ...

| Loans (INRbn) | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24 | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | QoQ | YoY |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|----------|-----------|
| Loan | 8,585 | 8,973 | 9,323 | 9,651 | 9,801 | 10,000 | 10,146 | 10,408 | 10,597 | 2 | 8 |
| Retail loans | 4,978 | 5,197 | 5,470 | 5,833 | 5,851 | 5,987 | 6,058 | 6,229 | 6,230 | 0 | 6 |
| Auto | 535 | 556 | 579 | 587 | 588 | 587 | 584 | 583 | 578 | -1 | -2 |
| Housing | 1,566 | 1,592 | 1,628 | 1,659 | 1,654 | 1,677 | 1,676 | 1,671 | 1,660 | -1 | 0 |
| Personal Loans | 916 | 970 | 1,050 | 1,129 | 1,161 | 1,192 | 1,192 | 1,204 | 1,206 | 0 | 4 |
| LAP | 506 | 539 | 586 | 637 | 651 | 672 | 697 | 753 | 788 | 5 | 21 |
| Retail Agri loans | 716 | 747 | 798 | 919 | 885 | 897 | 937 | 982 | 931 | -5 | 5 |
| Others | 738 | 795 | 829 | 902 | 912 | 963 | 974 | 1,035 | 1,068 | 3 | 17 |
| SME loans | 865 | 948 | 1,000 | 1,047 | 1,040 | 1,105 | 1,141 | 1,185 | 1,209 | 2 | 16 |
| Large and Mid corporates | 2,742 | 2,828 | 2,852 | 2,771 | 2,910 | 2,908 | 2,946 | 2,994 | 3,158 | 5 | 9 |
| Loan Mix (%) | | | | | | | | | | | |
| Retail loans | 58.0 | 57.9 | 58.7 | 60.4 | 59.7 | 59.9 | 59.7 | 59.8 | 58.8 | | |
| Auto | 10.7 | 10.7 | 10.6 | 10.1 | 10.1 | 9.8 | 9.6 | 9.4 | 9.3 | | |
| Housing | 31.5 | 30.6 | 29.8 | 28.4 | 28.3 | 28.0 | 27.7 | 26.8 | 26.6 | | |
| Personal Loans | 18.4 | 18.7 | 19.2 | 19.4 | 19.9 | 19.9 | 19.7 | 19.3 | 19.4 | | |
| LAP | 10.2 | 10.4 | 10.7 | 10.9 | 11.1 | 11.2 | 11.5 | 12.1 | 12.6 | | |
| Retail Agri loans | 14.4 | 14.4 | 14.6 | 15.8 | 15.1 | 15.0 | 15.5 | 15.8 | 15.0 | | |
| Others | 14.8 | 15.3 | 15.2 | 15.5 | 15.6 | 16.1 | 16.1 | 16.6 | 17.1 | | |
| SME loans | 10.1 | 10.6 | 10.7 | 10.9 | 10.6 | 11.0 | 11.2 | 11.4 | 11.4 | | |
| Large and Mid corporates | 31.9 | 31.5 | 30.6 | 28.7 | 29.7 | 29.1 | 29.0 | 28.8 | 29.8 | | |
| Franchise | | | | | | | | | | | |
| Branches | 4,945 | 5,152 | 5,252 | 5,377 | 5,427 | 5,577 | 5,706 | 5,876 | 5,879 | | |

Source: Company, Antique

Financials

Profit and loss account (INR mn)

| Year-ended | March 31 | FY24 | FY25 | FY26e | FY27e | FY28e |
|----------------------------|----------|-----------------|-----------------|-----------------|-----------------|------------------|
| Interest Income | | 10,93,686 | 12,26,770 | 12,65,478 | 14,03,848 | 15,84,031 |
| Interest Expense | | 5,94,741 | 6,83,292 | 7,10,860 | 7,56,961 | 8,36,610 |
| Net Interest Income | | 4,98,945 | 5,43,478 | 5,54,618 | 6,46,887 | 7,47,421 |
| % NII Growth | | 16.2 | 8.9 | 2.0 | 16.6 | 15.5 |
| Fee Income | | 1,82,564 | 2,05,451 | 2,50,773 | 2,90,367 | 3,36,532 |
| Non-interest income | | 2,24,420 | 2,52,571 | 2,85,773 | 3,16,996 | 3,57,212 |
| Net Revenue | | 7,23,364 | 7,96,049 | 8,40,391 | 9,63,883 | 11,04,634 |
| Employees Expenses | | 1,09,331 | 1,21,928 | 1,35,340 | 1,51,581 | 1,70,528 |
| Other Op. Expenses | | 2,42,802 | 2,53,072 | 2,61,929 | 2,93,361 | 3,30,031 |
| Operating Profit | | 3,71,232 | 4,21,049 | 4,43,122 | 5,18,942 | 6,04,075 |
| % OP Growth | | 87.6 | 13.4 | 5.2 | 17.1 | 16.4 |
| Tax | | 81,986 | 79,731 | 85,255 | 1,06,162 | 1,26,335 |
| Total Provisions | | 40,631 | 77,584 | 1,02,104 | 94,293 | 98,736 |
| Net Profit | | 2,48,614 | 2,63,735 | 2,55,764 | 3,18,487 | 3,79,004 |

Balance sheet (INR mn)

| Year-ended | March 31 | FY24 | FY25 | FY26e | FY27e | FY28e |
|--------------------------------|----------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Capital | | 6,173 | 6,195 | 6,195 | 6,195 | 6,195 |
| Reserves and Surplus | | 15,04,443 | 17,91,057 | 20,43,229 | 23,57,244 | 27,30,927 |
| Deposits | | 1,06,86,414 | 1,17,29,520 | 1,29,02,472 | 1,44,50,769 | 1,63,29,369 |
| Borrowings | | 19,68,118 | 18,41,465 | 18,47,883 | 20,03,396 | 22,33,623 |
| Other Liabilities & Provisions | | 6,06,939 | 7,31,062 | 8,30,154 | 9,42,315 | 10,71,299 |
| Total liabilities | | 1,47,72,086 | 1,60,99,299 | 1,76,29,934 | 1,97,59,919 | 2,23,71,414 |
| Cash & Balances with RBI | | 8,60,775 | 7,36,384 | 7,21,560 | 7,99,842 | 8,94,110 |
| Bal. with banks/ call money | | 2,83,769 | 2,60,937 | 2,95,007 | 3,29,083 | 3,71,260 |
| Investment | | 33,15,272 | 39,61,418 | 43,57,560 | 49,19,685 | 55,10,047 |
| loans and advances | | 96,50,684 | 1,04,08,113 | 1,14,48,925 | 1,28,22,795 | 1,46,17,987 |
| Fixed Assets | | 56,846 | 62,917 | 70,400 | 78,383 | 86,865 |
| Other Assets | | 6,04,740 | 6,69,530 | 7,36,483 | 8,10,131 | 8,91,144 |
| Total assets | | 1,47,72,086 | 1,60,99,299 | 1,76,29,934 | 1,97,59,919 | 2,23,71,414 |

Asset Quality

| Year-ended | March 31 | FY24 | FY25 | FY26e | FY27e | FY28e |
|-----------------------|----------|---------------|---------------|---------------|---------------|---------------|
| Gross NPA (INRm) | | 1,51,272 | 1,44,902 | 1,58,379 | 1,76,713 | 1,98,970 |
| Gross NPA (%) | | 1.5 | 1.4 | 1.4 | 1.4 | 1.3 |
| Net NPA (INRm) | | 32,475 | 36,855 | 40,251 | 44,972 | 49,876 |
| Net NPA (%) | | 0.3 | 0.4 | 0.4 | 0.4 | 0.3 |
| % coverage of NPA | | 78.5 | 74.6 | 74.6 | 74.6 | 74.9 |
| Delinquencies (%) | | 1.7 | 2.0 | 2.3 | 2.0 | 1.9 |

Source: Company, Antique

Capital Adequacy Ratio

| Year-ended | March 31 | FY24 | FY25 | FY26e | FY27e | FY28e |
|----------------------|----------|-------------|-------------|-------------|-------------|-------------|
| RWA (INRm) | | 1,03,40,460 | 1,15,91,495 | 1,25,17,253 | 1,40,29,542 | 1,58,83,704 |
| Tier I (%) | | 14.2 | 14.7 | 15.6 | 16.2 | 16.7 |
| Tier II (%) | | 2.4 | 2.4 | 2.2 | 2.0 | 1.8 |
| Total CAR (%) | | 16.6 | 17.1 | 17.9 | 18.2 | 18.5 |

Business Ratios

| Year-ended | March 31 | FY24 | FY25 | FY26e | FY27e | FY28e |
|--------------------------|----------|-------------|-------------|-------------|-------------|-------------|
| Credit / Deposit(%) | | 90.3 | 88.7 | 88.7 | 88.7 | 89.5 |
| Investment / Deposit (%) | | 31.0 | 33.8 | 33.8 | 34.0 | 33.7 |
| CASA (%) | | 43.0 | 40.8 | 41.2 | 42.1 | 42.5 |
| RoA (%) | | 1.8 | 1.7 | 1.5 | 1.7 | 1.8 |
| Core RoE (%) | | 18.6 | 16.6 | 13.9 | 15.1 | 15.5 |
| Dividend Yield (%) | | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |

Key assumptions

| Year-ended | March 31 | FY24 | FY25 | FY26e | FY27e | FY28e |
|--------------------------|----------|------|------|-------|-------|-------|
| Deposits | | | | | | |
| Deposit growth (%) | | 12.9 | 9.8 | 10.0 | 12.0 | 13.0 |
| Cost of deposits (%) | | 4.5 | 4.8 | 4.5 | 4.4 | 4.4 |
| Advances | | | | | | |
| Advances growth (%) | | 14.2 | 7.8 | 10.0 | 12.0 | 14.0 |
| Yield on advances (%) | | 9.6 | 9.7 | 9.1 | 9.1 | 9.1 |
| Investments | | | | | | |
| Investments growth (%) | | 14.8 | 19.5 | 10.0 | 12.9 | 12.0 |
| Yield on investments (%) | | 6.5 | 6.3 | 6.0 | 6.0 | 6.0 |

Earnings Ratios

| Year-ended | March 31 | FY24 | FY25 | FY26e | FY27e | FY28e |
|---|----------|------------|------------|------------|------------|------------|
| Interest Inc. / Avg. assets (%) | | 7.8 | 7.9 | 7.5 | 7.5 | 7.5 |
| Interest Exp./ Avg. assets (%) | | 4.3 | 4.4 | 4.2 | 4.0 | 4.0 |
| NIM (%) | | 3.8 | 3.7 | 3.4 | 3.6 | 3.7 |
| Int. exp/ Int earned (%) | | 54.4 | 55.7 | 56.2 | 53.9 | 52.8 |
| Oth. Inc./ Tot. Inc. (%) | | 31.0 | 31.7 | 34.0 | 32.9 | 32.3 |
| Staff exp./Total opt. exp (%) | | 31.0 | 32.5 | 34.1 | 34.1 | 34.1 |
| Cost/ Income Ratio (%) | | 48.7 | 47.1 | 47.3 | 46.2 | 45.3 |
| Prov./ Operating Profit (%) | | 10.9 | 18.4 | 23.0 | 18.2 | 16.3 |
| Loan loss prov./Avg. loans (bps) | | 45 | 77 | 93 | 78 | 72 |

Per Share Data

| Year-ended | March 31 | FY24 | FY25 | FY26e | FY27e | FY28e |
|-----------------------------------|----------|-------------|-------------|-------------|-------------|------------|
| Book value per share (INR) | | 473 | 553 | 633 | 732 | 850 |
| Adj. BVPS (INR) | | 467 | 546 | 624 | 722 | 839 |
| Price/ Book value | | 2.3 | 1.9 | 1.7 | 1.4 | 1.2 |
| EPS(INR) | | 81 | 85 | 83 | 103 | 122 |
| P/E Ratio | | 13.7 | 12.6 | 12.9 | 10.2 | 9.5 |
| DPS | | 1.0 | 1.0 | 1.0 | 1.2 | 1.5 |

Source: Company Antique

*adjusted for investment in subsidiaries