

### BUY (NO CHANGE)

Current Price (Rs)	: 545
Target Price (Rs)	: 675 (no chg)
Potential Upside	: 24%

#### Market Data

No. of shares	: 1,347 mn
Free Float	: 26.2%
Market Cap (USD)	: 8,480 mn
52-week High/ Low (Rs)	: 633/ 467
Avg. Daily Volume (6M)	: 1.77 mn
Avg. Daily Value (6M;USD)	: 10.98 mn
Bloomberg Code	: INBK IB
Promoters Holding	: 73.8%
FII / DII	: 5% / 17%

#### Price Performance

(%)	1M	3M	12M
Absolute	(0.4)	(6.2)	13.4
Relative	3.1	(1.1)	6.0

Source: Bloomberg

Q3FY25 PAT at Rs 28.5 bn (+35% YoY/5% QoQ) was ~17/13% above our/consensus estimates, led by lower opex and provisions. NII at Rs 64.1 bn (+10% YoY/4% QoQ) was in line with our estimate. Sequential loan growth (2% QoQ) was muted, while NIM expanded 6 bps QoQ to 3.45%. Opex growth moderated to +6% YoY (-2% QoQ). C/I ratio was 44.6% vs 45.1/46.9% in Q2FY25/Q3FY24. Total provision at Rs 10.6 bn declined 22% YoY/4% QoQ. Credit cost was 0.8% vs 1.1% in Q3FY24 (flat QoQ). We raise FY25-27E PAT estimates by 7-9%, as we build in lower opex and lower provision. Maintain BUY rating with an unchanged TP of Rs 675 (1.2x Sep'26E P/adj. B).

#### Slippage declined QoQ, PCR at 94%

Slippage was at Rs 10.2bn (-27% QoQ) or 0.8% of loans vs 1.2% in Q2FY25. Slippages in the agri/corporate segments declined to Rs 5.3 bn/0.1 bn vs Rs 6.8 bn/2.4 bn in Q2FY25, whereas slippages in the retail/MSME segments increased to Rs 1.4 bn/3.3 bn vs Rs 1.3 bn/3.1 bn in Q2FY25. Recoveries/upgrades dipped a bit to Rs 8.2 bn vs Rs 10.8 bn in Q2FY25 and the net slippage ratio was 0.2% vs 0.3% QoQ. Total SMA1+2 increased to 1.4% vs 0.9% in Q2FY25, led by increase in the MSME and corporate segments. In Q3FY25, the bank made incremental provisions of Rs 5.5 bn on standard advances over and above the minimum regulatory requirement.

#### NIM expanded QoQ, C/I ratio declined QoQ

NIM expanded 6 bps QoQ to 3.45% in Q3FY25, led by faster increase in yield on funds (+8 bps QoQ) vs increase in cost of funds (+5 bps QoQ). Domestic NIM expanded 8 bps QoQ to 3.57% (+8 bps YoY). Opex growth (+6% YoY/-2% QoQ) moderated on a QoQ decline in employee/other expenses. The bank expects cost-to-income ratio of ~44% for FY25E.

#### Loan growth driven by retail and MSME, domestic LDR stable

Loan growth was led by retail (16% YoY/4% QoQ), MSME (8% YoY/4% QoQ), and overseas loans (10% YoY/4% QoQ). Growth in agri (13% YoY/1% QoQ) was muted. Corporate loans declined 1% QoQ (+4% YoY). In retail, auto (48% YoY/13% QoQ), jewel (54% YoY/32% QoQ), and other retail (19% YoY/5% QoQ) loans showed good growth. Personal loans declined 14% YoY/6% QoQ. Domestic LDR was at 77.5% vs 77.3% in Q2FY25. Overseas deposits (+24% YoY/+6% QoQ) growth was strong, while term deposits growth at 9% YoY/2% QoQ was muted. CASA deposits were flat QoQ. Wholesale deposits declined during the quarter, as the bank did not get the desired rates.

#### Financial summary (Standalone)

Y/E March	FY23	FY24	FY25E	FY26E	FY27E
Operating profit (Rs bn)	152.7	168.4	187.0	199.7	220.5
PAT (Rs bn)	52.8	80.6	106.9	109.5	115.0
EPS (Rs)	42.4	59.9	79.4	81.3	85.4
EPS chg (%)	33.9	41.2	32.6	2.4	5.1
Previous EPS (Rs)	-	-	72.6	75.2	79.9
Adj BV (Rs)	360.8	421.1	497.3	562.2	626.5
PE (x)	13	9	7	7	7
P/ABV (x)	1.5	1.3	1.1	1.0	0.9
RoE (%)	11.5	15.2	17.0	15.3	14.3
RoA (%)	0.8	1.1	1.3	1.2	1.2
Net NPA (%)	0.9	0.4	0.1	0.1	0.2

Source: Company, Axis Capital

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**Exhibit 1: Q3FY25 results snapshot**

(Rs bn)	Q3FY24	Q2FY25	Q3FY25	YoY	QoQ	Axis Cap Est	Actual vs. Axis Cap Est	9MFY24	9MFY25	YoY
<b>Income Statement</b>										
<b>Net Interest Income</b>	<b>58.1</b>	<b>61.9</b>	<b>64.1</b>	<b>10.3%</b>	<b>3.6%</b>	<b>63.2</b>	<b>1.6%</b>	<b>172.6</b>	<b>187.9</b>	<b>8.9%</b>
<i>Interest Income</i>	<i>142.0</i>	<i>153.5</i>	<i>157.6</i>	<i>11.0%</i>	<i>2.7%</i>			<i>409.9</i>	<i>461.5</i>	<i>12.6%</i>
<i>Interest Expense</i>	<i>83.8</i>	<i>91.5</i>	<i>93.4</i>	<i>11.5%</i>	<i>2.1%</i>			<i>237.3</i>	<i>273.6</i>	<i>15.3%</i>
<b>Non-Interest Income</b>	<b>19.0</b>	<b>24.2</b>	<b>21.5</b>	<b>13.2%</b>	<b>-11.1%</b>	<b>21.6</b>	<b>-0.2%</b>	<b>56.0</b>	<b>64.8</b>	<b>15.6%</b>
<i>Fee Income</i>	<i>8.5</i>	<i>8.9</i>	<i>9.3</i>	<i>9.3%</i>	<i>4.5%</i>			<i>23.3</i>	<i>26.1</i>	<i>12.1%</i>
<i>Profit on sale of investments</i>	<i>3.3</i>	<i>3.3</i>	<i>2.6</i>	<i>-21.0%</i>	<i>-22.0%</i>			<i>11.2</i>	<i>8.5</i>	<i>-23.5%</i>
<i>Other Non-Interest Income</i>	<i>7.2</i>	<i>12.0</i>	<i>9.6</i>	<i>33.4%</i>	<i>-19.7%</i>			<i>21.6</i>	<i>30.2</i>	<i>39.6%</i>
<b>Total Operating Income</b>	<b>77.2</b>	<b>86.2</b>	<b>85.7</b>	<b>11.0%</b>	<b>-0.6%</b>	<b>84.7</b>	<b>1.1%</b>	<b>228.6</b>	<b>252.7</b>	<b>10.5%</b>
<b>Total Operating Expenses</b>	<b>36.2</b>	<b>38.9</b>	<b>38.2</b>	<b>5.5%</b>	<b>-1.8%</b>	<b>40.1</b>	<b>-4.7%</b>	<b>103.3</b>	<b>112.9</b>	<b>9.3%</b>
<i>Employee Expenses</i>	<i>23.4</i>	<i>24.6</i>	<i>24.2</i>	<i>3.5%</i>	<i>-1.9%</i>			<i>66.3</i>	<i>71.8</i>	<i>8.3%</i>
<i>Other Expenses</i>	<i>12.8</i>	<i>14.2</i>	<i>14.0</i>	<i>9.2%</i>	<i>-1.6%</i>			<i>37.0</i>	<i>41.1</i>	<i>11.1%</i>
<b>Pre-Provision Operating Profit (PPOP)</b>	<b>41.0</b>	<b>47.3</b>	<b>47.5</b>	<b>15.9%</b>	<b>0.4%</b>	<b>44.7</b>	<b>6.4%</b>	<b>125.3</b>	<b>139.8</b>	<b>11.5%</b>
Provisions	<i>13.5</i>	<i>11.0</i>	<i>10.6</i>	<i>-21.5%</i>	<i>-3.6%</i>	<i>12.1</i>	<i>-12.3%</i>	<i>46.4</i>	<i>34.2</i>	<i>-26.4%</i>
<b>Profit Before Tax (PBT)</b>	<b>27.5</b>	<b>36.3</b>	<b>36.9</b>	<b>34.3%</b>	<b>1.7%</b>	<b>32.6</b>	<b>13.3%</b>	<b>78.9</b>	<b>105.6</b>	<b>33.8%</b>
Tax	<i>6.3</i>	<i>9.2</i>	<i>8.4</i>	<i>33.3%</i>	<i>-9.2%</i>			<i>20.8</i>	<i>26.0</i>	<i>25.2%</i>
<b>Profit After Tax (PAT)</b>	<b>21.2</b>	<b>27.1</b>	<b>28.5</b>	<b>34.6%</b>	<b>5.4%</b>	<b>24.4</b>	<b>16.8%</b>	<b>58.2</b>	<b>79.6</b>	<b>36.9%</b>
<i>Core PPOP*</i>	<i>30.5</i>	<i>32.0</i>	<i>35.3</i>	<i>15.8%</i>	<i>10.3%</i>			<i>92.6</i>	<i>101.1</i>	<i>9.2%</i>
<b>Balance Sheet</b>										
<b>Shareholders' Funds</b>	<b>578</b>	<b>641</b>	<b>668</b>	<b>15.5%</b>	<b>4.1%</b>					
<b>Total Deposits</b>	<b>6,542</b>	<b>6,931</b>	<b>7,023</b>	<b>7.4%</b>	<b>1.3%</b>					
Domestic Deposits	<i>6,294</i>	<i>6,643</i>	<i>6,716</i>	<i>6.7%</i>	<i>1.1%</i>					
CASA Deposits	<i>2,589</i>	<i>2,689</i>	<i>2,686</i>	<i>3.7%</i>	<i>-0.1%</i>					
<i>Current Account Deposits</i>	<i>333</i>	<i>357</i>	<i>352</i>	<i>5.6%</i>	<i>-1.6%</i>					
<i>Savings Account Deposits</i>	<i>2,256</i>	<i>2,331</i>	<i>2,335</i>	<i>3.5%</i>	<i>0.1%</i>					
Term Deposits	<i>3,705</i>	<i>3,954</i>	<i>4,030</i>	<i>8.8%</i>	<i>1.9%</i>					
Overseas Deposits	<i>248</i>	<i>288</i>	<i>307</i>	<i>24.0%</i>	<i>6.5%</i>					
Borrowings	<i>303</i>	<i>334</i>	<i>325</i>	<i>7.2%</i>	<i>-2.5%</i>					
<b>Net Loans</b>	<b>4,896</b>	<b>5,329</b>	<b>5,421</b>	<b>10.7%</b>	<b>1.7%</b>					
Domestic Loans	<i>4,744</i>	<i>5,133</i>	<i>5,202</i>	<i>9.7%</i>	<i>1.3%</i>					
<i>RAM Credit</i>	<i>2,968</i>	<i>3,251</i>	<i>3,347</i>	<i>12.8%</i>	<i>3.0%</i>					
<i>Retail</i>	<i>993</i>	<i>1,100</i>	<i>1,149</i>	<i>15.8%</i>	<i>4.4%</i>					
<i>Agriculture &amp; Allied</i>	<i>1,144</i>	<i>1,283</i>	<i>1,298</i>	<i>13.5%</i>	<i>1.2%</i>					
<i>MSME</i>	<i>832</i>	<i>867</i>	<i>900</i>	<i>8.2%</i>	<i>3.8%</i>					
<i>Corporate &amp; others</i>	<i>1,775</i>	<i>1,883</i>	<i>1,855</i>	<i>4.5%</i>	<i>-1.5%</i>					
International Loans	<i>354</i>	<i>373</i>	<i>390</i>	<i>10.0%</i>	<i>4.4%</i>					
<b>Total Investments</b>	<b>2,043</b>	<b>2,168</b>	<b>2,211</b>	<b>8.2%</b>	<b>2.0%</b>					
<b>Total Assets</b>	<b>7,640</b>	<b>8,126</b>	<b>8,228</b>	<b>7.7%</b>	<b>1.3%</b>					

Source: Company, Axis Capital; \* PPOP less treasury and other non-interest income

**Exhibit 2: Key ratios**

	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
CASA ratio	42.2%	42.3%	41.3%	41.6%	41.2%	42.8%	41.4%	41.4%	41.1%	42.3%	40.6%	40.5%	40.0%
LDR	66.1%	65.6%	68.1%	70.0%	71.2%	72.3%	73.4%	73.4%	74.8%	74.8%	76.5%	76.9%	77.2%
Yield on IEA	7.1%	6.8%	6.9%	7.1%	7.6%	7.6%	8.0%	8.2%	8.2%	8.1%	8.1%	8.2%	8.3%
Cost of IBL	3.8%	3.7%	3.7%	4.0%	4.1%	4.3%	4.6%	4.9%	5.0%	4.9%	5.0%	5.1%	5.1%
NIM - reported**	3.03%	2.87%	3.10%	3.18%	3.67%	3.56%	3.56%	3.46%	3.41%	3.44%	3.44%	3.39%	3.45%
Fees / Avg. assets	0.4%	0.5%	0.4%	0.4%	0.4%	0.5%	0.4%	0.5%	0.5%	0.5%	0.4%	0.5%	0.5%
Cost / Income	44.8%	53.0%	41.9%	44.3%	43.7%	46.5%	44.2%	44.4%	46.9%	48.0%	44.3%	45.1%	44.6%
Cost / Avg. Assets	1.7%	1.9%	1.6%	1.8%	1.9%	2.0%	1.9%	1.9%	2.0%	2.1%	1.9%	2.0%	1.9%
RoA*	0.44%	0.61%	0.76%	0.75%	0.84%	0.84%	0.99%	1.13%	1.17%	1.20%	1.28%	1.40%	1.44%
RoE*	6.9%	9.6%	11.5%	11.1%	12.3%	12.6%	14.5%	16.3%	16.1%	16.9%	17.4%	18.7%	18.3%
Leverage (x)	15.7	15.8	15.2	14.9	14.7	15.1	14.5	14.4	13.7	14.1	13.6	13.4	12.7
RoRWA	0.9%	1.3%	1.6%	1.6%	1.8%	1.8%	2.1%	2.4%	2.4%	2.5%	2.6%	2.9%	2.9%
CET 1 ratio	11.4%	12.5%	12.5%	12.3%	12.0%	12.9%	12.3%	12.1%	12.4%	13.5%	13.4%	13.5%	13.3%
Tier 1 capital ratio	12.0%	13.2%	13.2%	12.9%	12.6%	13.5%	12.9%	12.6%	12.9%	14.0%	13.9%	14.0%	13.8%
Total capital ratio	15.5%	16.5%	16.5%	16.2%	15.7%	16.5%	15.8%	15.5%	15.6%	16.4%	16.5%	16.6%	15.9%

Source: Company, Axis Capital; LDR: Loan-to-Deposit Ratio, IEA: Interest Earning Assets, IBL: Interest Bearing Liabilities, NIM: Net Interest Margin, \*calculated; \*\* Domestic NIM till Q1FY23.

### Conference call takeaways

#### Loans and deposits

- The bank has a sanctioned pipeline of ~Rs 400 bn in the corporate loan book.
- The bank has not seen additional demand from traditional sectors like textiles and the auto sector.
- The impact of new LCR norms (if implemented) would be at ~8-10% point.
- The bank is confident of maintaining NIM at 3.4-3.5%.
- Loan-mix by benchmark: (1) MCLR 56.8%; (2) fixed 4.74%; and (3) EBLR 38.46%.
- Due to the RBI guidelines, there has been some reclassification of gold loans from agri to non-agri.
- The MFI loan book stands at Rs 14.5bn (0.3% of loans).
- The bank has stopped its partnership with Rupeek (for gold loans) and there was nil outstanding as of Dec'24.

#### Asset quality and operating expenses

- SMA has increased due to three big accounts. Two accounts have come from SMA-2 after the end of Q3FY25. Only one account is there in SMA-0.
- The bank makes ~10% provision on the SMA book and ~25% on the restructured book.
- Technical written-off book stands at Rs 400 bn.
- Agri slippage was lower, as the bank focusses on investment credit. It does Kisan Credit Card (KCC) on a selective basis.

#### Exhibit 3: Product-wise advances

(Rs bn)	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	YoY	QoQ
<b>Domestic Gross advances</b>	<b>3,851</b>	<b>3,957</b>	<b>3,994</b>	<b>4,115</b>	<b>4,242</b>	<b>4,439</b>	<b>4,506</b>	<b>4,587</b>	<b>4,744</b>	<b>4,982</b>	<b>5,026</b>	<b>5,133</b>	<b>5,202</b>	<b>9.7%</b>	<b>1.3%</b>
<b>RAM Credit</b>	<b>2,337</b>	<b>2,427</b>	<b>2,442</b>	<b>2,553</b>	<b>2,628</b>	<b>2,727</b>	<b>2,764</b>	<b>2,859</b>	<b>2,968</b>	<b>3,099</b>	<b>3,133</b>	<b>3,251</b>	<b>3,347</b>	<b>12.8%</b>	<b>3.0%</b>
<b>Retail</b>	<b>756</b>	<b>804</b>	<b>807</b>	<b>837</b>	<b>872</b>	<b>911</b>	<b>932</b>	<b>954</b>	<b>993</b>	<b>1,047</b>	<b>1,061</b>	<b>1,100</b>	<b>1,149</b>	<b>15.8%</b>	<b>4.4%</b>
Home Loan (Incl.Mortgage loans)	511	539	534	553	573	598	607	623	643	664	689	708	721	12.1%	1.8%
Auto Loan	39	42	43	46	50	54	56	63	73	80	86	95	108	47.6%	13.0%
Personal Loan	49	53	54	58	66	78	82	87	86	86	82	80	74	14.0%	-6.5%
Jewel Loan Non Priority	42	48	55	53	52	52	54	54	56	54	60	65	86	53.7%	32.3%
Other Retail Loan	115	123	120	126	131	129	132	127	133	164	144	152	159	19.4%	4.7%
<b>Agriculture &amp; Allied</b>	<b>853</b>	<b>881</b>	<b>905</b>	<b>952</b>	<b>982</b>	<b>1,019</b>	<b>1,047</b>	<b>1,104</b>	<b>1,144</b>	<b>1,211</b>	<b>1,238</b>	<b>1,283</b>	<b>1,298</b>	<b>13.5%</b>	<b>1.2%</b>
Crop Loans	681	691	706	722	740	779	803	847	868	925	944	982	981	13.0%	-0.1%
Investment Credit	77	92	106	113	119	120	115	125	128	131	128	133	136	6.8%	2.1%
Agri allied	30	32	32	31	33	36	37	45	53	58	59	64	71	33.5%	9.8%
Infrastructure & Ancillary	64	66	61	87	90	85	91	88	96	96	108	103	111	15.7%	7.6%
<b>MSME</b>	<b>728</b>	<b>742</b>	<b>731</b>	<b>764</b>	<b>774</b>	<b>797</b>	<b>785</b>	<b>801</b>	<b>832</b>	<b>841</b>	<b>834</b>	<b>867</b>	<b>900</b>	<b>8.2%</b>	<b>3.8%</b>
Micro	290	306	307	316	335	433	435	358	496	475	495	510	524	5.6%	2.7%
Small	333	322	309	331	319	260	245	331	235	259	235	246	262	11.5%	6.5%
Medium	105	113	115	117	119	103	105	112	101	107	104	111	114	13.3%	2.4%
<b>Corporate &amp; others</b>	<b>1,514</b>	<b>1,530</b>	<b>1,551</b>	<b>1,562</b>	<b>1,614</b>	<b>1,712</b>	<b>1,742</b>	<b>1,728</b>	<b>1,775</b>	<b>1,882</b>	<b>1,893</b>	<b>1,883</b>	<b>1,855</b>	<b>4.5%</b>	<b>-1.5%</b>
<b>Overseas advances</b>	<b>153</b>	<b>199</b>	<b>258</b>	<b>264</b>	<b>275</b>	<b>297</b>	<b>288</b>	<b>336</b>	<b>354</b>	<b>356</b>	<b>365</b>	<b>373</b>	<b>390</b>	<b>10.0%</b>	<b>4.4%</b>
<b>Global Gross Advances</b>	<b>4,004</b>	<b>4,156</b>	<b>4,252</b>	<b>4,379</b>	<b>4,517</b>	<b>4,736</b>	<b>4,794</b>	<b>4,923</b>	<b>5,098</b>	<b>5,338</b>	<b>5,391</b>	<b>5,506</b>	<b>5,592</b>	<b>9.7%</b>	<b>1.6%</b>

Source: Company, Axis Capital

**Exhibit 4: Loan-mix**

(%)	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25
<b>Domestic Gross advances</b>	<b>96.2%</b>	<b>95.2%</b>	<b>93.9%</b>	<b>94.0%</b>	<b>93.9%</b>	<b>93.7%</b>	<b>94.0%</b>	<b>93.2%</b>	<b>93.0%</b>	<b>93.3%</b>	<b>93.2%</b>	<b>93.2%</b>	<b>93.0%</b>
<b>RAM Credit</b>	<b>58.4%</b>	<b>58.4%</b>	<b>57.4%</b>	<b>58.3%</b>	<b>58.2%</b>	<b>57.6%</b>	<b>57.7%</b>	<b>58.1%</b>	<b>58.2%</b>	<b>58.1%</b>	<b>58.1%</b>	<b>59.0%</b>	<b>59.9%</b>
<b>Retail</b>	<b>18.9%</b>	<b>19.4%</b>	<b>19.0%</b>	<b>19.1%</b>	<b>19.3%</b>	<b>19.2%</b>	<b>19.4%</b>	<b>19.4%</b>	<b>19.5%</b>	<b>19.6%</b>	<b>19.7%</b>	<b>20.0%</b>	<b>20.5%</b>
<i>Home Loan (Inc. Mortgage loans)</i>	<i>12.8%</i>	<i>13.0%</i>	<i>12.6%</i>	<i>12.6%</i>	<i>12.7%</i>	<i>12.6%</i>	<i>12.7%</i>	<i>12.7%</i>	<i>12.6%</i>	<i>12.4%</i>	<i>12.8%</i>	<i>12.9%</i>	<i>12.9%</i>
<i>Auto Loan</i>	<i>1.0%</i>	<i>1.0%</i>	<i>1.0%</i>	<i>1.1%</i>	<i>1.1%</i>	<i>1.1%</i>	<i>1.2%</i>	<i>1.3%</i>	<i>1.4%</i>	<i>1.5%</i>	<i>1.6%</i>	<i>1.7%</i>	<i>1.9%</i>
<i>Personal Loan</i>	<i>1.2%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.5%</i>	<i>1.6%</i>	<i>1.7%</i>	<i>1.8%</i>	<i>1.7%</i>	<i>1.6%</i>	<i>1.5%</i>	<i>1.4%</i>	<i>1.3%</i>
<i>Jewel Loan Non Priority</i>	<i>1.1%</i>	<i>1.2%</i>	<i>1.3%</i>	<i>1.2%</i>	<i>1.1%</i>	<i>1.1%</i>	<i>1.1%</i>	<i>1.1%</i>	<i>1.1%</i>	<i>1.0%</i>	<i>1.1%</i>	<i>1.2%</i>	<i>1.5%</i>
<i>Other Retail Loan</i>	<i>2.9%</i>	<i>3.0%</i>	<i>2.8%</i>	<i>2.9%</i>	<i>2.9%</i>	<i>2.7%</i>	<i>2.8%</i>	<i>2.6%</i>	<i>2.6%</i>	<i>3.1%</i>	<i>2.7%</i>	<i>2.8%</i>	<i>2.8%</i>
<b>Agriculture &amp; Allied</b>	<b>21.3%</b>	<b>21.2%</b>	<b>21.3%</b>	<b>21.7%</b>	<b>21.7%</b>	<b>21.5%</b>	<b>21.8%</b>	<b>22.4%</b>	<b>22.4%</b>	<b>22.7%</b>	<b>23.0%</b>	<b>23.3%</b>	<b>23.2%</b>
<i>Crop Loans</i>	<i>17.0%</i>	<i>16.6%</i>	<i>16.6%</i>	<i>16.5%</i>	<i>16.4%</i>	<i>16.4%</i>	<i>16.8%</i>	<i>17.2%</i>	<i>17.0%</i>	<i>17.3%</i>	<i>17.5%</i>	<i>17.8%</i>	<i>17.5%</i>
<i>Investment Credit</i>	<i>1.9%</i>	<i>2.2%</i>	<i>2.5%</i>	<i>2.6%</i>	<i>2.6%</i>	<i>2.5%</i>	<i>2.4%</i>	<i>2.5%</i>	<i>2.5%</i>	<i>2.5%</i>	<i>2.4%</i>	<i>2.4%</i>	<i>2.4%</i>
<i>Agri allied</i>	<i>0.8%</i>	<i>0.8%</i>	<i>0.8%</i>	<i>0.7%</i>	<i>0.7%</i>	<i>0.8%</i>	<i>0.8%</i>	<i>0.9%</i>	<i>1.0%</i>	<i>1.1%</i>	<i>1.1%</i>	<i>1.2%</i>	<i>1.3%</i>
<i>Infrastructure &amp; Ancillary</i>	<i>1.6%</i>	<i>1.6%</i>	<i>1.4%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>1.8%</i>	<i>1.9%</i>	<i>1.8%</i>	<i>1.9%</i>	<i>1.8%</i>	<i>2.0%</i>	<i>1.9%</i>	<i>2.0%</i>
<b>MSME</b>	<b>18.2%</b>	<b>17.8%</b>	<b>17.2%</b>	<b>17.4%</b>	<b>17.1%</b>	<b>16.8%</b>	<b>16.4%</b>	<b>16.3%</b>	<b>16.3%</b>	<b>15.8%</b>	<b>15.5%</b>	<b>15.8%</b>	<b>16.1%</b>
<i>Micro</i>	<i>7.2%</i>	<i>7.4%</i>	<i>7.2%</i>	<i>7.2%</i>	<i>7.4%</i>	<i>9.1%</i>	<i>9.1%</i>	<i>7.3%</i>	<i>9.7%</i>	<i>8.9%</i>	<i>9.2%</i>	<i>9.3%</i>	<i>9.4%</i>
<i>Small</i>	<i>8.3%</i>	<i>7.7%</i>	<i>7.3%</i>	<i>7.5%</i>	<i>7.1%</i>	<i>5.5%</i>	<i>5.1%</i>	<i>6.7%</i>	<i>4.6%</i>	<i>4.9%</i>	<i>4.4%</i>	<i>4.5%</i>	<i>4.7%</i>
<i>Medium</i>	<i>2.6%</i>	<i>2.7%</i>	<i>2.7%</i>	<i>2.7%</i>	<i>2.6%</i>	<i>2.2%</i>	<i>2.2%</i>	<i>2.3%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>1.9%</i>	<i>2.0%</i>	<i>2.0%</i>
<b>Corporate &amp; others</b>	<b>37.8%</b>	<b>36.8%</b>	<b>36.5%</b>	<b>35.7%</b>	<b>35.7%</b>	<b>36.2%</b>	<b>36.3%</b>	<b>35.1%</b>	<b>34.8%</b>	<b>35.3%</b>	<b>35.1%</b>	<b>34.2%</b>	<b>33.2%</b>
<b>Overseas advances</b>	<b>3.8%</b>	<b>4.8%</b>	<b>6.1%</b>	<b>6.0%</b>	<b>6.1%</b>	<b>6.3%</b>	<b>6.0%</b>	<b>6.8%</b>	<b>7.0%</b>	<b>6.7%</b>	<b>6.8%</b>	<b>6.8%</b>	<b>7.0%</b>
<b>Global Gross Advances</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Company, Axis Capital

**Exhibit 5: External rating-wise advances**

External Rating*	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25
<b>Rated Exposure</b>												
AAA	13%	12%	13%	14%	15%	17%	15%	14%	15%	15%	15%	15%
AA	23%	23%	24%	25%	24%	25%	25%	26%	26%	27%	28%	29%
A	21%	22%	21%	21%	23%	22%	23%	23%	23%	24%	23%	22%
BBB	14%	14%	15%	15%	13%	12%	12%	12%	11%	12%	12%	11%
<b>Total BBB and above</b>	<b>71%</b>	<b>72%</b>	<b>73%</b>	<b>75%</b>	<b>75%</b>	<b>74%</b>	<b>75%</b>	<b>75%</b>	<b>76%</b>	<b>78%</b>	<b>77%</b>	<b>77%</b>
BB and below	12%	10%	11%	10%	9%	9%	8%	9%	9%	8%	9%	9%
Of which,												
PSU accounts (More than Rs 1 bn)	4%	2%	2%	2%	2%	2%	2%	2%	2%	1%	1%	1%
Corporates (More than Rs 1 bn)	4%	4%	4%	4%	3%	3%	3%	4%	4%	3%	4%	4%
Others (Less than Rs 1bn)	5%	4%	4%	4%	4%	4%	3%	3%	3%	3%	3%	3%
<b>Total Rated Exposure (A)</b>	<b>83%</b>	<b>82%</b>	<b>84%</b>	<b>85%</b>	<b>84%</b>	<b>83%</b>	<b>83%</b>	<b>84%</b>	<b>84%</b>	<b>86%</b>	<b>85%</b>	<b>85%</b>
<b>Unrated Exposure</b>												
PSU with Govt Guarantee	11%	10%	10%	9%	9%	11%	10%	10%	10%	10%	9%	10%
PSU without Govt Guarantee	4%	5%	3%	3%	4%	4%	3%	3%	4%	2%	2%	2%
Others	2%	2%	3%	3%	3%	3%	3%	3%	2%	2%	3%	3%
<b>Total Unrated Exposure (B)</b>	<b>17%</b>	<b>18%</b>	<b>16%</b>	<b>15%</b>	<b>16%</b>	<b>17%</b>	<b>17%</b>	<b>16%</b>	<b>16%</b>	<b>14%</b>	<b>14%</b>	<b>15%</b>
<b>Total (A+B)</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company, Axis Capital; Note: \*For more than Rs 100 mn, for CRE/MSME &gt; Rs250 mn.

**Exhibit 6: Sector-wise deployment of domestic advances**

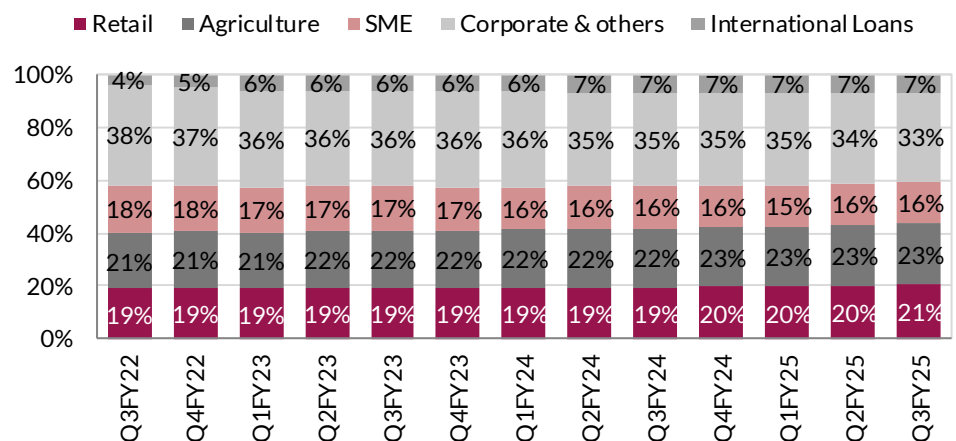
(Rs bn)	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	YoY	QoQ
Infrastructure	585	582	570	558	549	559	560	587	613	579	585	560	-5%	-4%
of which														
Power	185	186	186	192	203	196	196	211	220	206	224	208	-1%	-7%
Port and Road Project	90	90	91	91	85	88	91	85	87	91	97	103	21%	6%
Other infrastructure	310	307	293	275	261	275	273	291	306	282	263	249	-14%	-5%
Basic Metal	80	93	93	100	97	96	99	102	99	110	137	138	35%	0%
Textiles	72	70	75	74	76	79	80	82	84	84	84	82	0%	-2%
Petroleum and Coal Products	81	61	74	61	99	67	67	63	92	74	110	98	57%	-11%
All Engineering	52	51	54	54	56	58	64	71	72	74	78	69	-2%	-12%
Food Processing	90	89	86	87	92	97	95	103	102	101	95	106	3%	12%
Trade	228	225	204	215	224	255	239	262	248	247	229	217	-17%	-5%
Commercial Real Estate	70	71	89	112	140	161	164	173	180	172	195	171	-1%	-13%
Home Loans/Auto Loans/Other Retail	804	807	837	872	911	932	954	993	1,047	1,061	1,100	1,149	16%	4%
Agriculture	881	905	952	982	1,019	1,047	1,104	1,144	1,211	1,238	1,283	1,298	13%	1%
NBFC	511	536	583	603	664	651	567	540	552	568	590	589	9%	0%
Others (Other Industries/Sectors)	502	504	498	524	512	503	595	625	683	716	646	725	16%	12%
<b>Total Domestic Advances</b>	<b>3,957</b>	<b>3,994</b>	<b>4,115</b>	<b>4,242</b>	<b>4,439</b>	<b>4,506</b>	<b>4,587</b>	<b>4,744</b>	<b>4,982</b>	<b>5,026</b>	<b>5,133</b>	<b>5,202</b>	<b>10%</b>	<b>1%</b>

Source: Company, Axis Capital

**Exhibit 7: Sector-wise deployment of domestic advances**

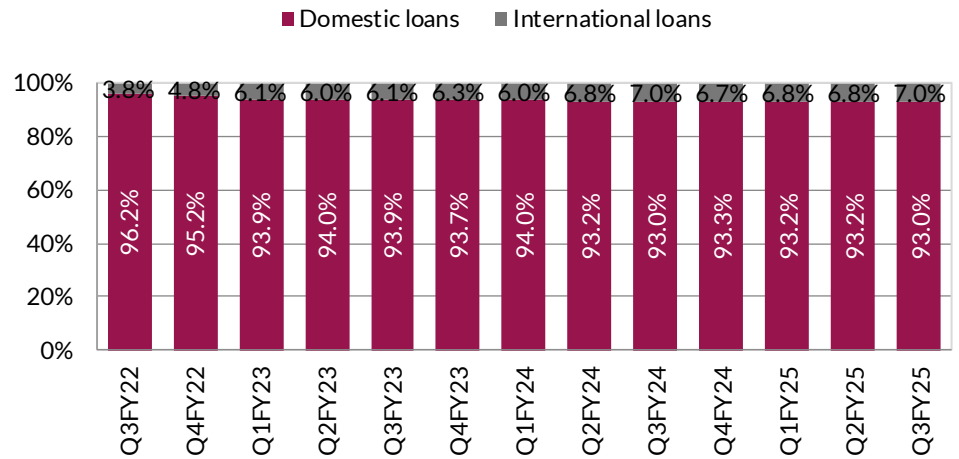
	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25
Infrastructure	15%	15%	14%	13%	12%	12%	12%	12%	12%	12%	11%	11%
of which												
Power	5%	5%	5%	5%	5%	4%	4%	4%	4%	4%	4%	4%
Port and Road Project	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Other infrastructure	8%	8%	7%	6%	6%	6%	6%	6%	6%	6%	5%	5%
Basic Metal	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	3%	3%
Textiles	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Petroleum and Coal Products	2%	2%	2%	1%	2%	1%	1%	1%	2%	1%	2%	2%
All Engineering	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	2%	1%
Food Processing	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Trade	6%	6%	5%	5%	5%	6%	5%	6%	5%	5%	4%	4%
Commercial Real Estate	2%	2%	2%	3%	3%	4%	4%	4%	4%	3%	4%	3%
Home Loans/Auto Loans/Other Retail	20%	20%	20%	21%	21%	21%	21%	21%	21%	21%	21%	22%
Agriculture	22%	23%	23%	23%	23%	23%	24%	24%	24%	25%	25%	25%
NBFC	13%	13%	14%	14%	15%	14%	12%	11%	11%	11%	11%	11%
Others (Other Industries/Sectors)	13%	13%	12%	12%	12%	11%	13%	13%	14%	14%	13%	14%
<b>Total Domestic Advances</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company, Axis Capital

**Exhibit 8: Trends in loan-mix**


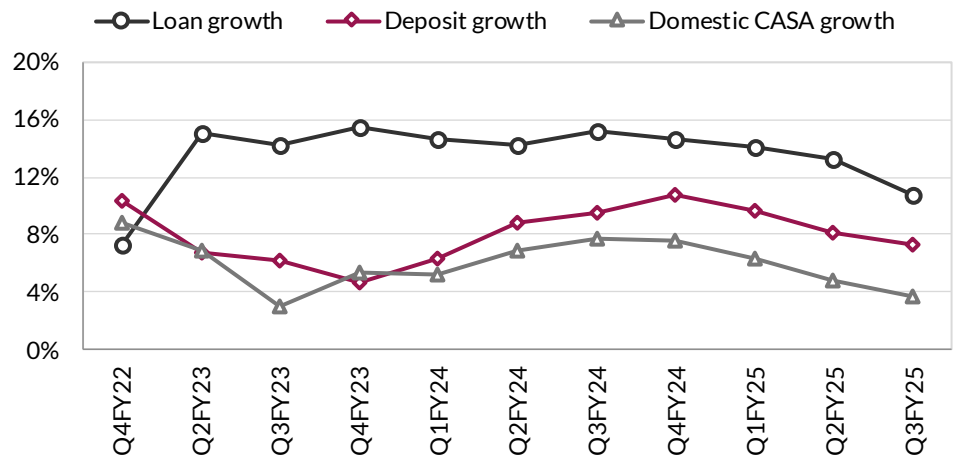
Source: Company, Axis Capital

Exhibit 9: Trends in domestic and international loan-mix



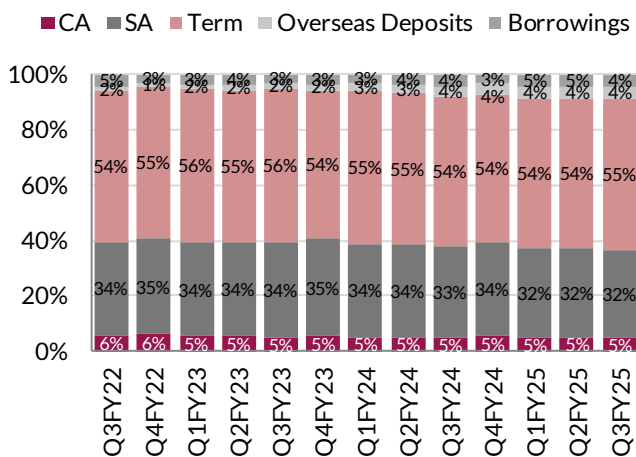
Source: Company, Axis Capital

Exhibit 10: Trends in loans, deposits, and CASA growth



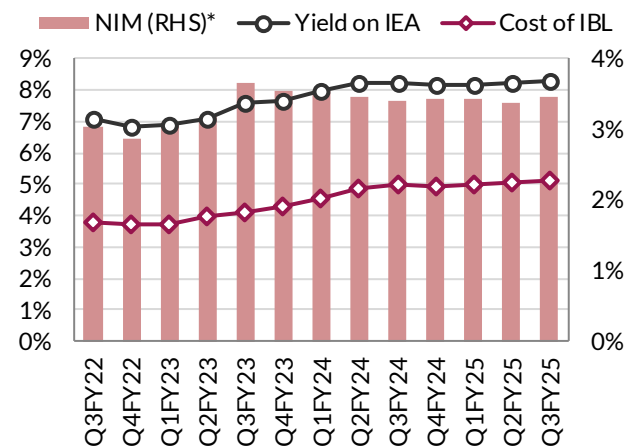
Source: Company, Axis Capital

Exhibit 11: Liability-mix

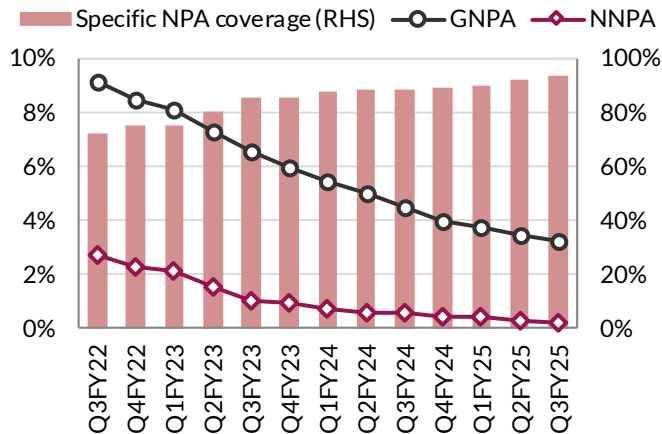


Source: Company, Axis Capital

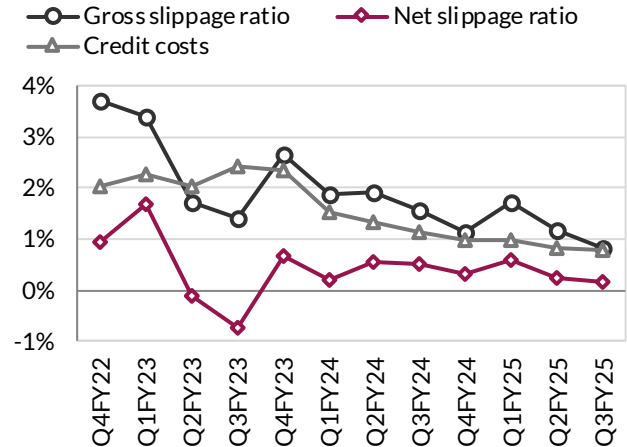
Exhibit 12: NIM was up 6 bps QoQ to 3.45%



Source: Company, Axis Capital; Note\* Domestic NIM till Q1FY23.

**Exhibit 13: Reduction in GNPA, coverage ratio higher**


Source: Company, Axis Capital

**Exhibit 14: Slippage and credit cost**


Source: Company, Axis Capital

**Exhibit 15: Asset quality**

(Rs bn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Gross NPA	9.13%	8.47%	8.13%	7.30%	6.53%	5.95%	5.47%	4.97%	4.47%	3.95%	3.77%	3.48%	3.26%
Net NPA	2.72%	2.27%	2.12%	1.50%	1.00%	0.90%	0.70%	0.60%	0.53%	0.43%	0.39%	0.27%	0.21%
Specific NPA coverage	72.2%	74.9%	75.5%	80.7%	85.5%	85.7%	87.8%	88.5%	88.7%	89.5%	90.0%	92.5%	93.8%
Gross Slippage Ratio	3.1%	3.7%	3.4%	1.7%	1.4%	2.6%	1.9%	1.9%	1.6%	1.1%	1.7%	1.2%	0.8%
Recovery & Upgrade Ratio	19.3%	23.2%	15.2%	17.6%	23.4%	22.0%	20.9%	18.7%	16.4%	14.2%	20.6%	18.8%	15.5%
Net Slippage Ratio	0.8%	0.9%	1.7%	-0.1%	-0.8%	0.7%	0.2%	0.6%	0.5%	0.3%	0.6%	0.3%	0.2%
Write-off Ratio	10.4%	20.2%	20.8%	26.6%	21.0%	22.2%	26.8%	30.6%	32.0%	32.4%	23.5%	25.2%	21.4%
Credit costs (Total prov. / Avg. Loans)	2.7%	2.0%	2.3%	2.0%	2.4%	2.3%	1.5%	1.3%	1.1%	1.0%	1.0%	0.8%	0.8%
Gross Slippages	28.1	33.7	30.9	15.4	13.1	25.7	18.5	19.8	16.7	12.7	19.6	13.8	10.2
Upgrades & Recoveries	20.5	25.1	15.8	16.5	20.2	19.0	16.7	14.2	11.4	9.0	12.9	10.9	8.2
Net slippages before write offs	7.5	8.6	15.1	-1.1	-7.1	6.7	1.9	5.7	5.2	3.7	6.7	3.0	1.9
Write offs	11.0	21.8	21.5	25.0	18.2	19.2	21.4	23.1	22.3	20.5	14.7	14.5	11.3
Gross NPA - Closing	365.4	352.1	345.7	319.6	294.3	281.8	262.3	244.9	227.9	211.1	203.0	191.5	182.1
Provisions	263.8	263.7	261.0	257.8	251.6	241.4	230.3	216.6	202.1	188.8	182.8	177.0	170.8
Net NPA	101.5	88.5	84.7	61.7	42.7	40.4	32.0	28.3	25.8	22.2	20.3	14.5	11.3

Source: Company, Axis Capital

**Exhibit 16: Segment-wise slippages**

(Rs mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
<b>RAM</b>	17,770	23,250	21,080	15,300	11,670	25,520	15,270	14,060	12,960	12,780	19,280	11,190	9,960
Retail	6,010	4,770	5,270	1,460	2,940	5,010	4,330	2,350	2,930	1,260	4,220	1,300	1,400
Agriculture	2,800	4,170	2,640	9,830	1,970	7,080	3,190	7,200	5,920	5,080	5,970	6,810	5,270
MSME	8,960	14,310	13,170	4,010	6,760	13,430	7,750	4,510	4,110	6,440	9,090	3,080	3,290
Corporate	9,550	9,730	7,770	(590)	250	140	2,270	5,700	1,330	(400)	0	2,380	80
<b>Total</b>	<b>27,320</b>	<b>32,980</b>	<b>28,850</b>	<b>14,710</b>	<b>11,920</b>	<b>25,660</b>	<b>17,530</b>	<b>19,760</b>	<b>14,290</b>	<b>12,380</b>	<b>19,280</b>	<b>13,570</b>	<b>10,040</b>

Source: Company, Axis Capital



**Exhibit 17: Sector-wise GNPA**

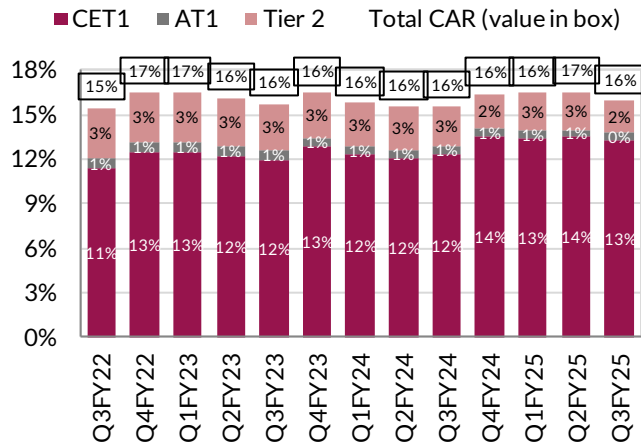
	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Retail	4.6%	4.4%	4.6%	4.3%	3.7%	3.5%	3.3%	2.8%	2.3%	2.0%	2.1%	1.8%	1.5%
Home Loan	3.1%	3.0%	3.2%	3.1%	2.7%	2.9%	2.9%	2.7%	2.0%	1.7%	1.7%	1.6%	1.3%
Education Loan	25.6%	26.2%	26.8%	24.9%	20.5%	19.9%	19.9%	13.4%	13.5%	12.9%	13.0%	12.0%	8.9%
Vehicle Loan	5.8%	5.7%	6.0%	5.4%	4.9%	4.5%	2.8%	2.5%	1.7%	1.5%	1.5%	1.4%	1.0%
Agriculture	10.7%	10.1%	9.7%	9.7%	9.0%	8.8%	8.4%	8.2%	8.0%	7.0%	7.1%	6.8%	6.6%
MSME	13.9%	14.4%	15.2%	14.3%	13.5%	13.5%	13.6%	12.1%	10.8%	10.2%	9.7%	8.8%	8.1%
Corporate & Overseas	8.3%	7.0%	6.1%	4.5%	3.7%	2.7%	1.8%	1.5%	1.1%	0.9%	0.6%	0.4%	0.3%
<b>Total</b>	<b>9.1%</b>	<b>8.5%</b>	<b>8.1%</b>	<b>7.3%</b>	<b>6.5%</b>	<b>6.0%</b>	<b>5.5%</b>	<b>5.0%</b>	<b>4.5%</b>	<b>4.0%</b>	<b>3.8%</b>	<b>3.5%</b>	<b>3.3%</b>
Priority	14.4%	14.2%	13.3%	19.6%	15.3%	13.5%	12.4%	11.9%	10.7%	9.7%	8.9%	8.2%	8.1%

Source: Company, Axis Capital

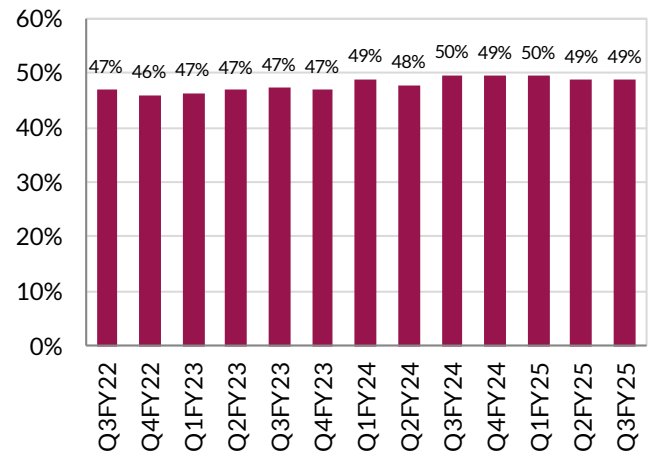
**Exhibit 18: Trends in SMA<sup>^</sup>**

	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
<b>SMA: Outstanding (%)</b>											
SMA 1	0.40%	0.28%	0.40%	0.40%	0.45%	0.39%	0.36%	0.38%	0.26%	0.28%	0.48%
SMA 2	0.21%	0.22%	0.37%	0.14%	0.25%	0.25%	0.20%	0.10%	0.21%	0.62%	0.89%
<b>Total</b>	<b>0.61%</b>	<b>0.50%</b>	<b>0.77%</b>	<b>0.54%</b>	<b>0.70%</b>	<b>0.64%</b>	<b>0.56%</b>	<b>0.48%</b>	<b>0.47%</b>	<b>0.90%</b>	<b>1.37%</b>
<b>SMA: % to respective sector std. advances</b>											
Retail	0.13%	0.12%	0.28%	0.19%	0.33%	0.27%	0.26%	0.20%	0.18%	0.22%	0.22%
Agriculture	0.41%	0.30%	0.50%	0.33%	0.46%	0.32%	0.36%	0.27%	0.31%	0.29%	0.33%
MSME	2.78%	2.42%	3.31%	2.70%	3.28%	2.90%	2.49%	2.11%	2.04%	2.04%	2.33%
Corporate & Others	0.13%	0.05%	0.19%	0.04%	0.10%	0.19%	0.12%	0.15%	0.16%	1.14%	2.11%
<b>TOTAL</b>	<b>0.61%</b>	<b>0.50%</b>	<b>0.77%</b>	<b>0.54%</b>	<b>0.70%</b>	<b>0.64%</b>	<b>0.56%</b>	<b>0.48%</b>	<b>0.47%</b>	<b>0.90%</b>	<b>1.37%</b>

Source: Company, Axis Capital; Note: ^Rs 50mn and above.

**Exhibit 19: Capital adequacy remains healthy, CET 1 at ~13.3%**


Source: Company, Axis Capital

**Exhibit 20: RWA density**


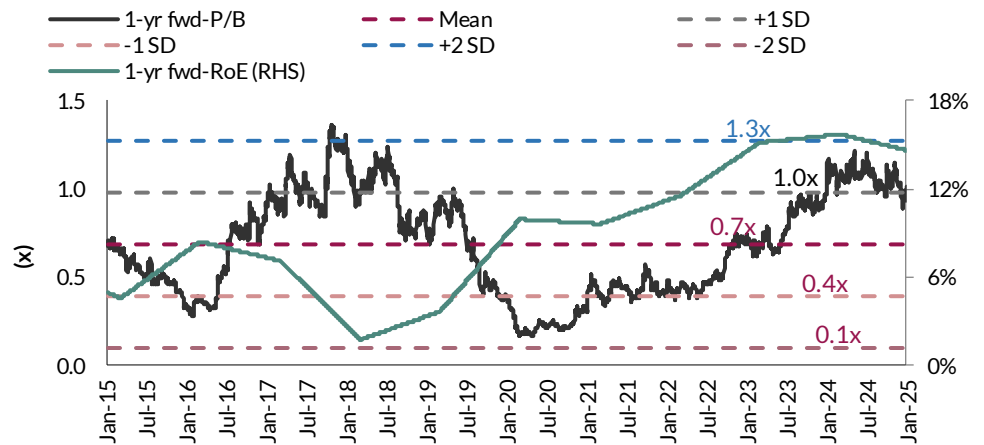
Source: Company, Axis Capital



**Exhibit 21: Du-Pont analysis (% of average assets)**

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Interest Income	2.3%	2.2%	2.4%	2.7%	2.6%	2.6%	3.4%	2.6%	2.9%	3.1%	3.1%	3.0%	3.0%
Interest Income	8.3%	8.2%	7.6%	7.3%	7.2%	7.3%	8.4%	6.0%	6.5%	7.4%	7.6%	7.6%	7.5%
Interest Expense	6.0%	6.0%	5.2%	4.6%	4.6%	4.7%	5.0%	3.4%	3.6%	4.3%	4.5%	4.5%	4.5%
Non-Interest Income	0.7%	0.9%	1.0%	1.0%	0.7%	1.1%	1.2%	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%
Fee Income	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.5%	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%
Profit on sale of investments	0.1%	0.2%	0.4%	0.3%	0.1%	0.3%	0.4%	0.2%	0.0%	0.2%	0.1%	0.1%	0.1%
Other Non-Interest Income	0.5%	0.6%	0.5%	0.6%	0.5%	0.7%	0.3%	0.5%	0.6%	0.4%	0.5%	0.4%	0.4%
Total Operating Income	3.1%	3.1%	3.5%	3.7%	3.3%	3.7%	4.6%	3.7%	4.0%	4.1%	4.1%	4.0%	4.0%
Total Operating Expenses	1.5%	1.6%	1.6%	1.6%	1.5%	1.5%	2.2%	1.7%	1.8%	1.9%	1.9%	1.8%	1.7%
Employee Expenses	0.9%	1.0%	0.9%	0.9%	0.8%	0.8%	1.4%	1.0%	1.1%	1.2%	1.2%	1.1%	1.1%
Other Expenses	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%	0.9%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
<b>Pre-Provision Operating Profit (PPOP)</b>	<b>1.6%</b>	<b>1.5%</b>	<b>1.9%</b>	<b>2.1%</b>	<b>1.8%</b>	<b>2.2%</b>	<b>2.4%</b>	<b>2.0%</b>	<b>2.2%</b>	<b>2.2%</b>	<b>2.3%</b>	<b>2.2%</b>	<b>2.2%</b>
Provisions	0.8%	1.0%	1.1%	1.7%	1.7%	1.7%	1.7%	1.5%	1.4%	0.8%	0.6%	0.6%	0.7%
<b>Profit Before Tax (PBT)</b>	<b>0.8%</b>	<b>0.5%</b>	<b>0.8%</b>	<b>0.5%</b>	<b>0.1%</b>	<b>0.5%</b>	<b>0.6%</b>	<b>0.5%</b>	<b>0.9%</b>	<b>1.5%</b>	<b>1.7%</b>	<b>1.6%</b>	<b>1.5%</b>
Tax	0.2%	0.1%	0.2%	-0.1%	0.0%	0.2%	0.0%	-0.1%	0.1%	0.4%	0.4%	0.4%	0.4%
<b>RoA</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.7%</b>	<b>0.5%</b>	<b>0.1%</b>	<b>0.3%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.8%</b>	<b>1.1%</b>	<b>1.3%</b>	<b>1.2%</b>	<b>1.2%</b>
Leverage	13.1x	12.6x	12.6x	13.2x	14.1x	14.2x	15.4x	15.8x	15.1x	14.1x	13.1x	12.5x	12.3x
<b>RoE</b>	<b>6.9%</b>	<b>4.5%</b>	<b>8.4%</b>	<b>7.1%</b>	<b>1.7%</b>	<b>3.6%</b>	<b>9.9%</b>	<b>9.6%</b>	<b>11.5%</b>	<b>15.2%</b>	<b>17.0%</b>	<b>15.3%</b>	<b>14.3%</b>
<b>RORWA</b>	<b>0.9%</b>	<b>0.6%</b>	<b>1.1%</b>	<b>0.9%</b>	<b>0.2%</b>	<b>0.5%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.6%</b>	<b>2.2%</b>	<b>2.6%</b>	<b>2.4%</b>	<b>2.3%</b>

Source: Company, Axis Capital

**Exhibit 22: 1-year-forward core P/B vs RoE**


Source: Bloomberg, Company, Axis Capital

## Financial summary (Standalone)

### Profit & Loss (Rs bn)

Y/E March	FY23	FY24	FY25E	FY26E	FY27E
Interest earned	449	556	625	678	750
Interest expended	(247)	(323)	(371)	(407)	(452)
Net interest income	202	233	254	272	298
Non interest income	71	79	85	90	96
<i>o/w Fee income</i>	<i>30</i>	<i>33</i>	<i>36</i>	<i>42</i>	<i>47</i>
Net income	274	311	339	362	394
Operating expenses	(121)	(143)	(152)	(162)	(173)
Staff expenses	(75)	(93)	(96)	(101)	(106)
Other operating expenses	(46)	(50)	(55)	(61)	(67)
Operating profit	153	168	187	200	220
Provisions & contingencies	(94)	(59)	(45)	(54)	(67)
<i>o/w NPA provisions</i>	<i>(65)</i>	<i>(37)</i>	<i>(32)</i>	<i>(48)</i>	<i>(60)</i>
Pre-tax profit	59	110	142	146	153
Tax expense	(6)	(29)	(35)	(36)	(38)
Profit after tax	53	81	107	109	115
Adj. PAT	53	81	107	109	115

### Balance Sheet (Rs bn)

Y/E March	FY23	FY24	FY25E	FY26E	FY27E
<b>Total assets</b>	<b>7,105</b>	<b>7,926</b>	<b>8,473</b>	<b>9,424</b>	<b>10,481</b>
Cash & Balances with RBI	501	421	453	499	549
Investments	1,860	2,126	2,253	2,433	2,628
Advances	4,493	5,149	5,613	6,316	7,112
Fixed assets	75	75	76	77	79
Other assets	176	156	79	99	113
<b>Total liabilities</b>	<b>7,105</b>	<b>7,926</b>	<b>8,473</b>	<b>9,424</b>	<b>10,481</b>
Equity capital	12	13	13	13	13
Reserves & surplus	467	570	659	747	839
Networth	480	584	673	760	852
Deposits	6,212	6,880	7,232	8,052	8,969
<i>o/w CASA deposits</i>	<i>2,602</i>	<i>2,800</i>	<i>2,781</i>	<i>3,041</i>	<i>3,325</i>
Borrowings	221	231	324	340	357
Other liabilities & prov.	193	231	245	273	303

Source: Company, Axis Capital

### Key Ratios

Y/E March	FY23	FY24	FY25E	FY26E	FY27E
EPS (Rs)	42.4	59.9	79.4	81.3	85.4
BV (Rs)	385.2	433.5	499.3	564.3	632.6
Adj. BV (Rs.)	360.8	421.1	497.3	562.2	626.5
DPS (Rs.)	8.6	12.0	15.9	16.3	17.1
Dividend payout (%)	20.3	20.0	20.0	20.0	20.0
Yield on Int. Earning Assets	7.3	8.1	8.2	8.1	8.1
Cost of Int. Bearing Liabilities	4.0	4.8	5.1	5.1	5.1
Spreads	3.3	3.2	3.1	3.0	3.0
Net interest margin	3.4	3.5	3.4	3.3	3.3
Gross NPAs	5.9	4.0	2.9	2.7	2.7
Net NPAs	0.9	0.4	0.1	0.1	0.2
Provisioning coverage	85.7	89.5	98.0	97.9	94.5
Credit cost	2.2	1.2	0.8	0.9	1.0
Gross Slippages ratio	1.8	1.5	1.1	1.3	1.5
CET 1	12.9	13.5	16.2	16.1	16.0
Tier-I	13.5	14.0	16.7	16.5	16.4
CAR	16.5	16.4	18.7	18.4	18.1
ROA	0.8	1.1	1.3	1.2	1.2
ROE	11.5	15.2	17.0	15.3	14.3
Cost to income	44.2	45.9	44.8	44.8	44.0
Cost to avg. assets	1.8	1.9	1.9	1.8	1.7
CASA (Domestic)	42.8	42.3	40.3	39.7	39.1
Effective tax rate	10.7	26.4	24.6	25.0	25.0
<b>GROWTH (%)</b>					
Net interest income	20.9	15.1	9.1	7.0	9.7
Operating expenses	10.7	18.2	6.1	6.8	6.9
Operating profit	20.1	10.3	11.1	6.7	10.4
Profit after tax	33.9	52.7	32.6	2.4	5.1
Advances	15.4	14.6	9.0	12.5	12.6
Deposits	4.6	10.8	5.1	11.3	11.4
Total assets	5.8	11.6	6.9	11.2	11.2
BVPS	9.8	12.5	15.2	13.0	12.1

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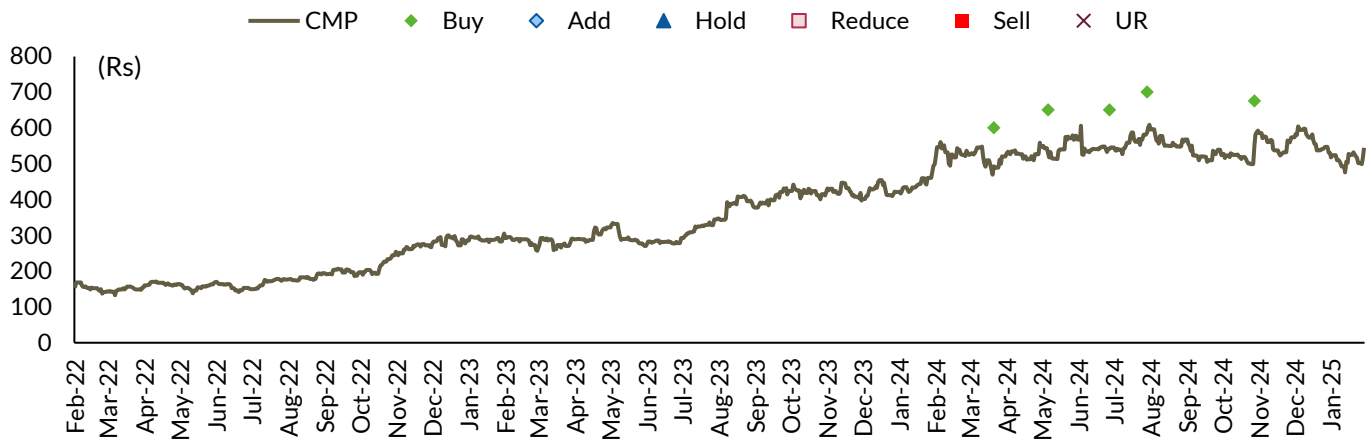
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<b>ADD</b>	Between 5% to 15%
<b>REDUCE</b>	Between 5% to -10 %
<b>SELL</b>	More than -10%

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Date	Target Price	Reco	Date	Target Price	Reco	Date	Target Price	Reco	Date	Target Price	Reco
21-Mar-24	600	Buy									
06-May-24	650	Buy									
27-Jun-24	650	Buy									
29-Jul-24	700	Buy									
28-Oct-24	675	Buy									

Source: Axis Capital