

Estimate change	↔
TP change	↑
Rating change	↔

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Bloomberg	AXSB IN
Equity Shares (m)	3077
M.Cap.(INRb)/(USDb)	3008.7 / 36.7
52-Week Range (INR)	990 / 702
1, 6, 12 Rel. Per (%)	-4/-1/18
12M Avg Val (INR M)	9377

Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
NII	429.5	499.7	595.2
OP	197.9	382.6	472.4
NP	95.8	250.4	307.4
NIM (%)	3.7	3.7	3.8
EPS (INR)	31.2	79.6	95.5
EPS Gr. (%)	-26.6	155.2	20.1
BV/Sh. (INR)	406	497	584
ABV/Sh. (INR)	388	479	564
Ratios			
RoE (%)	8.0	17.6	17.7
RoA (%)	0.8	1.8	1.9
Valuations			
P/E(X)	28.1	11.0	9.2
P/BV (X)	2.2	1.8	1.5
P/ABV (X)	2.3	1.8	1.6

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	8.0	8.0	9.5
DII	29.0	31.2	30.8
FII	53.4	50.3	47.8
Others	9.6	10.5	12.0

FII Includes depository receipts

CMP: INR977 TP: INR1,150 (+18%) Buy

Earnings in line; business growth remains modest

Asset quality remains stable

- AXSB reported a PAT of INR57.97b (up 41% YoY, in line), largely driven by robust 'other income'. NII growth was healthy (up 27% YoY), while margins moderated 12bp QoQ to 4.1% (9bp QoQ decline adj for one -offs).
- Loan growth was healthy at 22% YoY and 1.6% QoQ, led by growth across major segments. Deposit traction stood tepid at 1% QoQ decline.
- Fresh slippages increased to INR39.9b, although the overall asset quality remained largely stable. Restructured book was under control at 0.21% of customer assets.
- We made slight adjustments to our estimates and expect AXSB to deliver RoA/RoE of 1.9%/17.7% in FY25. **We reiterate our BUY rating on the stock.**

'Other income' drives earnings; margins moderated 12bp QoQ

- 1QFY24 PAT grew 41% YoY to INR57.97b (in line), largely driven by higher 'other income' (17% beat).
- NII grew 27% YoY (up 1.8% QoQ) to INR119.6b (in line). Reported margins contracted 12bp QoQ to 4.1% (9bp QoQ compression adj for one -offs). Fee income grew 28% YoY, while the bank reported treasury gains of INR5.2b.
- Opex grew 27% YoY/10% QoQ (6% higher than MOSLe) as the bank continues to make investments in the business. As a result, the C/I increased to 48.3% in 1QFY24 vs. 44.9% in 4QFY23. PPop grew 50% YoY to INR88.1b (in line).
- Loan book grew 22% YoY and 2% QoQ, with Retail/corporate loans up 2.1%/1.8% QoQ and SME loans growing 22% YoY (down 2% QoQ). On the liability front, deposits grew 17% YoY and down 1% QoQ. CASA deposits grew 22% YoY (down 4% QoQ). The CASA ratio, thus, moderated 100bp to 46%, while CASA plus retail term deposits stood at 79.4%.
- On the asset quality front, fresh slippages increased to INR39.9b (vs. INR33.8b in 4QFY23). GNPA ratio improved by 6bp QoQ to 1.96%, while Net NPA ratio increased 2bp QoQ to 0.41%. PCR moderated 127bp QoQ to 80%. Restructured loans stood at 0.21% of customer assets. The bank holds an additional provision buffer (including standard asset provisions) of INR118.5b (1.4% of loans).
- Annualized RoA/RoE for the bank stood at 1.8%/19.2%.

Highlights from the management commentary

- CoD grew 31bp QoQ to 4.6% in 1QFY24 and expects this to increase further in the upcoming quarters of FY24.
- Opex grew 10% QoQ due to higher technological, integration, and network expenses.
- Retail: Corporate book stands at 58:42 as on 1QFY24.
- Within Retail, Cards and PL book grew 93%/21% YoY and rural loans grew 21% YoY in 1QFY24.

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Valuation and view

AXSB delivered a stable performance in 1QFY24, with earnings driven by higher 'other income' even as margins compressed on expected lines. Business growth was healthy, led by traction across segments. Asset quality remains broadly stable with an increase in fresh slippages. The restructured book was well managed and coupled with a higher provisioning buffer, it provides comfort on credit costs. We made slight adjustments to our estimates and expect AXSB to deliver RoA/RoE of 1.9%/17.7% in FY25. **We reiterate our Buy rating on the stock with a TP of INR1,150 (1.8x FY25E ABV).**

Quarterly performance**(INR b)**

	FY23				FY24E				FY23	FY24E	FY24E	V/s our
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE		Est
Net Interest Income	93.8	103.6	114.6	117.4	119.6	121.9	125.9	132.2	429.5	499.7	122.6	-2%
% Change (Y-o-Y)	20.9	31.1	32.4	33.1	27.4	17.7	9.9	12.6	29.6	16.3	30.6	
Other Income	30.0	39.4	46.7	49.0	50.9	51.5	53.0	55.8	165.0	211.2	43.4	17%
Total Income	123.8	143.0	161.2	166.4	170.5	173.5	178.9	188.0	594.5	710.9	166.0	3%
Operating Expenses	65.0	65.9	68.5	74.7	82.3	81.4	82.1	82.5	396.6	328.3	77.6	6%
Operating Profit	58.9	77.2	92.8	91.7	88.1	92.0	96.9	105.6	197.9	382.6	88.5	0%
% Change (Y-o-Y)	-4.8	30.2	50.6	41.8	49.7	19.3	4.4	15.2	-20.0	93.3	50.3	
Provisions	3.6	5.5	14.4	3.1	10.3	12.0	12.4	13.1	28.8	47.9	8.7	19%
Profit before Tax	55.3	71.7	78.4	88.6	77.8	80.1	84.4	92.5	169.1	334.8	79.7	-2%
Tax	14.0	18.4	19.9	22.4	19.8	20.2	21.3	23.1	73.3	84.4	20.1	-1%
Net Profits	41.3	53.3	58.5	66.3	58.0	59.9	63.1	69.4	95.8	250.4	59.6	
% Change (Y-o-Y)	91.0	70.1	61.9	60.9	40.5	12.4	7.9	4.7	-26.5	161.4	44.6	
Operating Parameters												
Deposit (INR t)	8.0	8.1	8.5	9.5	9.4	9.9	10.3	10.8	9.5	10.8	9.7	-3%
Loan (INR t)	7.0	7.3	7.6	8.5	8.6	9.0	9.4	9.9	8.5	9.9	8.7	-1%

Quarterly snapshot

	FY22				FY23				FY24	Change (%)	
INR b	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Profit and Loss											
Interest Income	160.0	163.4	172.6	177.8	187.3	202.4	222.3	239.7	255.6	36	7
Loans	118.8	119.9	126.8	130.7	138.9	152.6	170.9	183.1	201.3	45	10
Investment	34.3	35.2	37.7	39.0	42.8	44.8	45.8	48.3	47.8	12	-1
Interest Expenses	82.4	84.4	86.1	89.6	93.4	98.8	107.7	122.3	136.0	46	11
Net Interest Income	77.6	79.0	86.5	88.2	93.8	103.6	114.6	117.4	119.6	27	2
Other Income	33.6	38.0	38.4	42.2	30.0	39.4	46.7	49.0	50.9	70	4
Trading profits	5.6	4.7	3.7	2.3	-6.7	-0.9	4.3	0.8	5.2	-178	525
Fee Income	26.7	32.3	33.4	37.6	35.8	38.6	41.0	46.8	44.9	26	-4
Total Income	111.2	117.0	124.9	130.4	123.8	143.0	161.2	166.4	170.5	38	2
Operating Expenses	49.3	57.7	63.3	65.8	65.0	65.9	68.5	74.7	82.3	27	10
Employee	18.5	19.4	19.4	18.9	21.9	21.7	22.8	21.6	26.9	23	24
Others	30.8	38.3	43.9	46.9	43.1	44.2	45.7	53.1	55.4	29	4
Operating Profits	61.9	59.3	61.6	64.7	58.9	77.2	92.8	91.7	88.1	50	-4
Core Operating Profits	56.3	54.6	57.9	62.3	65.5	78.0	88.5	90.8	83.0	27	-9
Provisions	33.0	17.4	13.3	9.9	3.6	5.5	14.4	3.1	10.3	188	238
PBT	28.8	41.9	48.3	54.8	55.3	71.7	78.4	88.6	77.8	41	-12
Taxes	7.2	10.6	12.1	13.6	14.0	18.4	19.9	22.4	19.8	41	-11
PAT	21.6	31.3	36.1	41.2	41.3	53.3	58.5	66.3	58.0	41	-13
Balance Sheet (INR t)											
Deposit	7.1	7.4	7.7	8.2	8.0	8.1	8.5	9.5	9.4	17	-1
Loans	6.1	6.2	6.6	7.1	7.0	7.3	7.6	8.5	8.6	22	2
Asset Quality (INR b)											
GNPA	259.5	241.5	233.0	218.2	210.4	198.9	199.6	186.0	181.6	-14	-2
NNPA	78.5	72.0	65.1	55.1	47.8	40.0	38.3	35.6	37.0	-23	4
Slippages	65.2	54.6	41.5	39.8	36.8	33.8	38.1	33.8	39.9	8	18
Ratios											
Asset Quality Ratios (%)											
GNPA	3.9	3.5	3.2	2.8	2.8	2.5	2.4	2.0	2.0	-80	-6
NNPA	1.2	1.1	0.9	0.7	0.6	0.5	0.5	0.4	0.4	-23	2
PCR (Calculated)	69.8	70.2	72.0	74.7	77.3	79.9	80.8	80.9	79.6	233	-127
PCR (Reported)	87.0	88.0	89.0	91.0	92.0	93.0	93.0	94.0	93.0	100	-100
Slippage Ratio	4.5	3.7	2.7	2.4	2.2	2.0	2.1	1.7	2.0	-19	31
Credit Cost	2.3	0.6	0.5	0.4	0.2	0.4	0.8	0.1	0.5	31	39
Business Ratios (%)											
Fees to Total Income	24.0	27.6	26.8	28.8	28.9	27.0	25.4	28.1	26.3	-255	-178
Cost to Core Income	47.3	51.8	52.8	52.3	50.1	46.3	44.0	45.5	50.1	-7	455
Tax Rate	25.1	25.3	25.1	24.8	25.4	25.6	25.3	25.2	25.5	11	24
CASA (Calculated)	43.1	44.5	44.7	45.0	43.7	46.2	44.5	47.2	45.5	183	-162
Loan/Deposit	86.1	84.4	86.2	86.1	87.3	90.1	89.8	89.3	91.2	392	190
Profitability Ratios (%)											
Yield on loans	8.2	8.1	8.2	7.9	8.4	9.0	9.6	9.4	10.3	188	90
Yield On Investments	6.4	6.3	6.5	6.2	6.4	6.7	6.4	6.9	6.6	19	-29
Yield on Funds	8.0	7.9	8.0	7.7	8.0	8.4	8.7	8.8	9.4	139	56
Cost of funds	4.0	3.9	3.8	3.8	3.9	4.1	4.3	4.8	5.0	114	28
Margins	3.5	3.4	3.5	3.5	3.6	4.0	4.3	4.2	4.1	50	-12
RoA	0.9	1.2	1.3	1.5	1.4	1.8	1.9	2.1	1.8	36	-30
RoE	9.1	12.7	14.2	15.9	15.1	18.5	19.3	21.1	19.2	410	-195
Loan Mix (%)											
Large/mid corp.	36.9	34.6	34.8	32.9	30.9	31.4	32.9	31.7	31.8	93	6
SME	9.2	9.8	10.0	10.6	10.3	10.7	10.8	10.6	10.2	-5	-37
Retail Advances	53.9	55.6	55.2	56.5	58.9	57.9	56.3	57.7	58.0	-87	31
Other Details											
Branches	4,600	4,679	4,700	4,758	4,759	4,760	4,849	4,903	4,945	186	42
ATM	11,061	10,970	11,060	10,990	10,161	16,043	15,674	15,953	15,798	5,637	-155



Highlights from the management commentary

Balance sheet and P&L

- The bank continues to remain focused on its GPS strategy and is actively working toward gaining a larger market share in selected segments
- The bank's deposit franchise grew 400bp faster than that of the industry.
- Over the last three years, there has been a 52% increase in the number of districts covered, and in 1QFY24, the bank successfully acquired 1.26m new SA accounts.
- MSME continues to remain the key focus segment of the bank. It grew 22% YoY, while the Corporate and Retail book grew 26%/21% YoY.
- Retail: Corporate book stands at 58:42 as on 1QFY24.
- Within Retail, Cards and PL book grew 93%/21% YoY and rural loans grew 21% YoY in 1QFY24.
- Digital banking performance has been strong for the bank with a 56% increase in deposits and the bank expects it to increase by 3x to 4x by FY27.
- Citibank is now well integrated and synergies can be observed with improving trends across credit card spends and vehicle loans disbursements.
- The bank net accreted CET 1 by 36bp in 1QFY24.
- NIMs have moderated by 12bp QoQ:
 - 9bp moderation due to rising cost of deposits
 - 3bp due to Interest on income tax refund, which was received in 4QFY23.
- COD grew 31bp QoQ to 4.6% in 1QFY24. The bank foresees further growth in COD during the upcoming quarters of FY24, although the pace of growth is expected to moderate in the future.
- Opex grew 10% QoQ due to higher technological, integration, and network expenses.
- Technological expenses forms 8% of the total operating expenses in 1QFY24.
- On an average, new branch becomes profitable in 1-2 years depending on the granular customer accretion.
- LCR stands at 123% as on 1QFY24 vs. 129% in 4QFY23.
- Fee income grew 25% YoY to INR45b, which consists of 37% YoY growth in retail banking fees, 12% growth in corporate and commercial banking fee, and 17% YoY growth in Forex and trade fees.
- The bank incurred 3.9b integration expenses in 1QFY24 and estimates total integration expense to be INR20b for the 15-18 months period.
- The bank has guided for a 2% cost-to-asset ratio by FY25 (excluding CITI bank expense and integration costs), which currently stands at 2.32%.
- Citi business will be ROE accretive, while the cost ratios are expected to be higher due to retail business of Citi.
- Revolver mix is moderating in the credit card business across the industry, while the bank has reported higher credit card spends than that of the industry.
- Multi-bank aggregator feature has been launched by the bank for users to access accounts and statements of different banks from one app and has 0.25m registrations in the 1st week.
- 32% of the bank book is fixed rate which will re-price within the next 1 year. Floating book consists of 19% MCLR linked, 42% Repo linked

- 80% of the CBG book is PSL compliant and meets most of the PSL requirement for the banks.

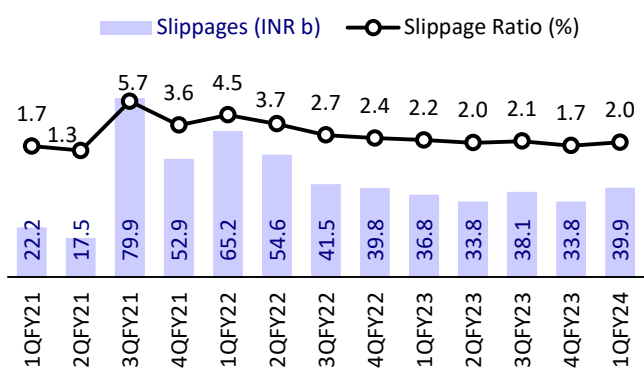
Asset quality

- GNPA improved by 6bp QoQ to 1.96%, while Net NPA increased 2bp QoQ to 0.41%.
- PCR moderated 127bp QoQ to 80%.
- Credit cost is due to seasonally higher agricultural slippages.
- Fresh slippages came in at INR39.9b (INR33.75b in 4QFY23), due to higher retail slippages. Recoveries from written-off accounts amounted to INR5.5b in 1QFY24.
- 1QFY24 net credit cost (annualized) stood at 0.50%.
- Restructured loans stood at 0.21%. The bank carries 21% provisioning on these loans.

PCR stood at ~80%; asset quality remains stable

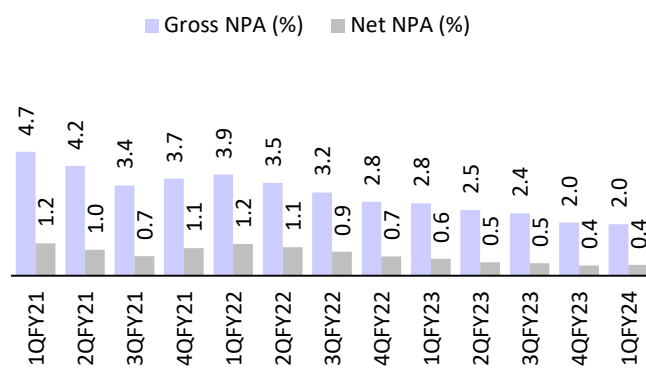
- Reported slippages increased to INR39.9b in 1QFY24, while recoveries/upgrades stood at INR23b and write-offs amounted to INR21.3b.
- As a result, GNPA improved by 6bp QoQ to 1.96%, while Net NPA increased 2bp QoQ to 0.41%. PCR moderated 127bp QoQ to 80%. 1QFY24 net credit cost (annualized) stood at 0.50%.
- The funded/non-funded BB and below pool saw a significant increase, reaching INR36.5b/INR13.9b. Additionally, BB and below rated investments amounted to INR7.9b.
- Overall, implemented restructuring declined to INR19.1b (0.21% of gross customer assets). The bank is carrying a provision of ~21% of the restructured book and holds total additional provisions (standard + other than NPAs) of INR118.5b.

Exhibit 1: Slippages increased to INR39.9b



*2Q/3QFY21 includes pro forma slippages Source: MOFSL, Company

Exhibit 2: GNPA/NNPA ratios remain stable



Source: MOFSL, Company

Loan book grew ~22% YoY; growth in deposits was modest

- Loan book grew 22% YoY and 1.6% QoQ, with Retail loans up 21% YoY and 2% QoQ. The latter comprised ~58% of loans. Retail disbursements witnessed healthy traction across segments.
- Within Retail loans, Home loans and LAP grew 10% YoY, while Credit Cards and Personal loans grew 91% and 21% YoY.

- The corporate portfolio grew 26% YoY (up 1.8% QoQ), while the growth in SME book was 22% YoY (down 1.9% QoQ). Around 89% of AXSB's Corporate book is now rated A- and above, with 89% of incremental sanctions in 1QFY24 being made to corporates rated A- and above.
- Deposits grew ~17% YoY (down 1% QoQ), within which, CASA deposits were up 22% YoY (down 4% QoQ). TD growth was 2.5% QoQ, resulting in moderation in CASA ratio to 46%. CASA and Retail TD comprise 79.4% of total deposits.

Valuation and view

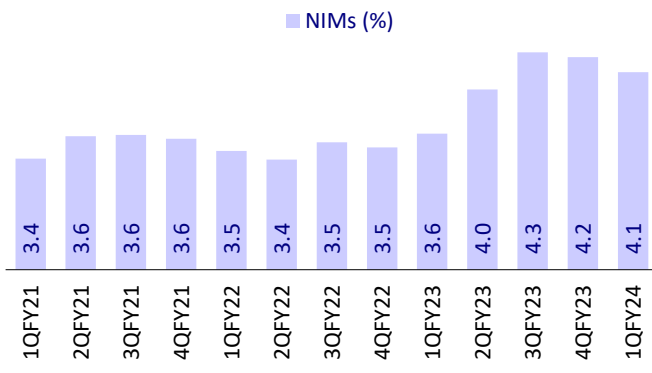
- **Strengthening of the Retail franchise:** The Retail business has strengthened, with the share of Retail loans improving to ~58% of total loans, led by Home loans. 100% of personal loans and 75% of credit card debt were toward salaried customers. On the liability side, the share of CASA and Retail term deposits stood at ~79.4%, ensuring relatively stable funding costs.
- **Fee income highly granular, likely to pick up gradually:** Retail fees accounted for ~70% of the bank's fees, indicating granularity in fee income. It was driven by cards/third-party distribution. We expect fee income to pick up gradually as economic activity revives further.
- **Buy with a TP of INR1,150:** AXSB delivered a stable performance in 1QFY24, with earnings driven by higher 'other income' even as margins compressed on expected lines. Business growth was healthy, led by traction across segments. Asset quality remains broadly stable with an increase in fresh slippages. The restructured book stands under control, which coupled with a higher provisioning buffer provides comfort on credit cost. We slightly made adjustments to our estimates and expect AXSB to deliver RoA/RoE of 1.9%/17.7% in FY25. **We reiterate our Buy rating with a TP of INR1,150 (1.8x FY25E ABV).**

Exhibit 3: SoTP-based pricing

Name	Stake	Attributed Value (INR b)	Value per Share	% of total value	Rationale
Axis Bank	100	3,228.9	1,049	91.2	❖ 1.8x P/ABV FY25E
Axis Finance	100	119.7	39	3.4	❖ 2.5x Net worth FY25E
Axis Capital	100	32.1	10	0.9	❖ 15x PAT FY25E
Axis Securities	100	53.8	17	1.5	❖ 15x PAT FY25E
Axis Mutual Fund	75	135.1	44	3.8	❖ 30x PAT FY25E
Max Life Insurance	20	47.8	16	1.4	❖ 1.9x FY25E EV
Total Value of Subs		388.5	126	11.0	
Less: 20% holding disc		77.7	25	2.2	
Value of Subs (Post Holding Disc)		310.8	101	8.8	
Target Price		3,539.7	1,150		

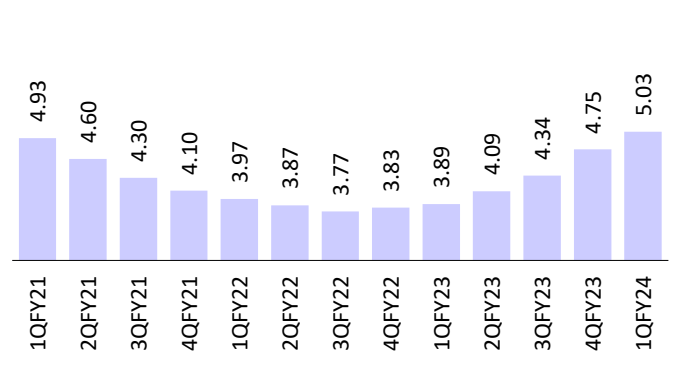
Story in charts

Exhibit 4: Margin moderates 12bp QoQ to 4.1%



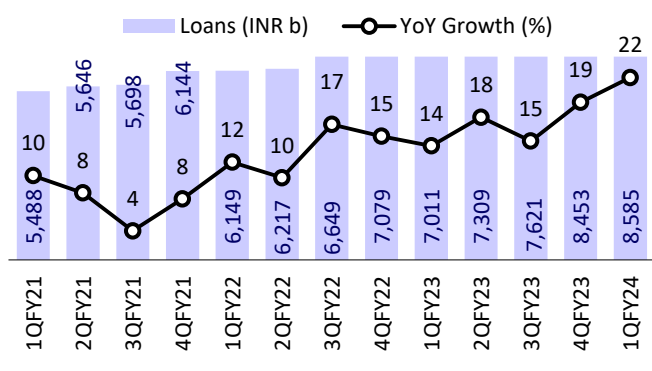
Source: MOFSL, Company

Exhibit 5: Cost of funds rises 28bp QoQ to 5.03%



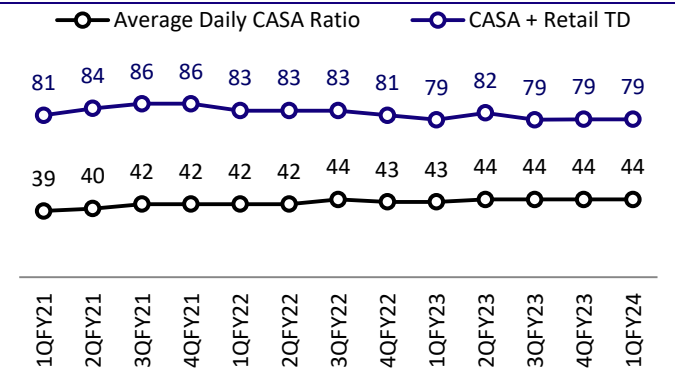
Source: MOFSL, Company

Exhibit 6: Loan book up 22% YoY to 8.6t



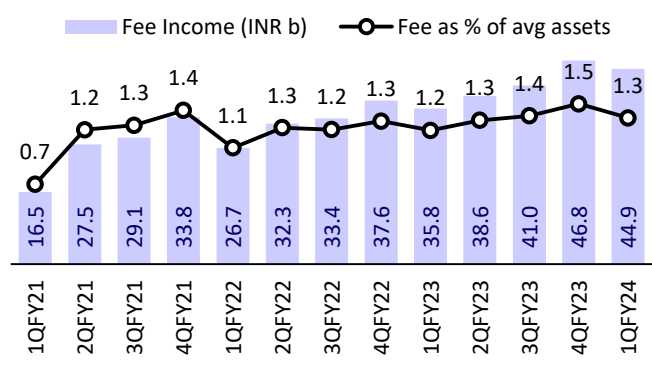
Source: MOFSL, Company

Exhibit 7: CASA + Retail TD form 79.4% of total deposits



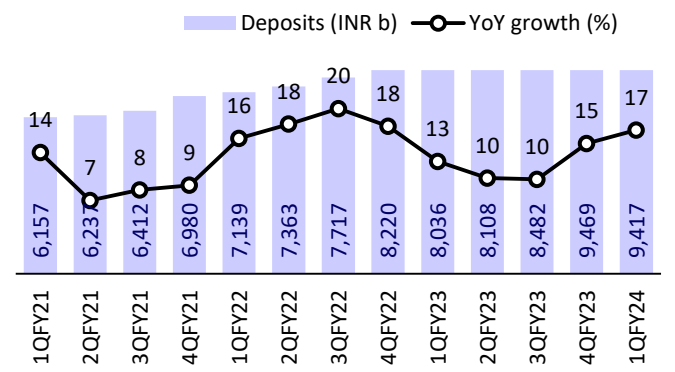
Source: MOFSL, Company

Exhibit 8: Fee income as a % of assets moderates to 1.3%



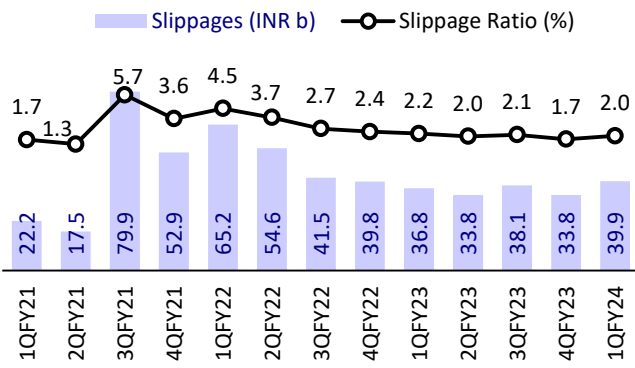
Source: MOFSL, Company

Exhibit 9: Deposit grew 17% YoY to INR9.4t



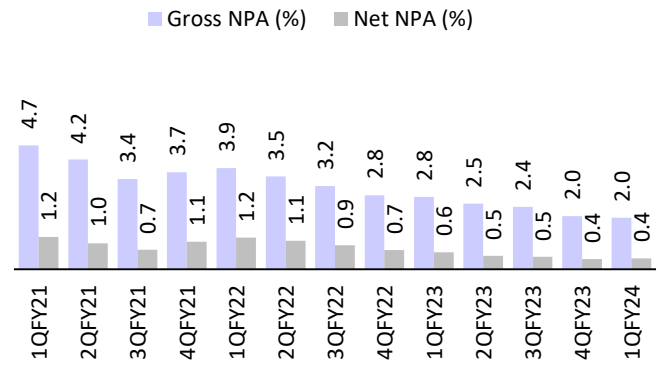
Source: MOFSL, Company

Exhibit 10: Slippages increased to INR39.9b



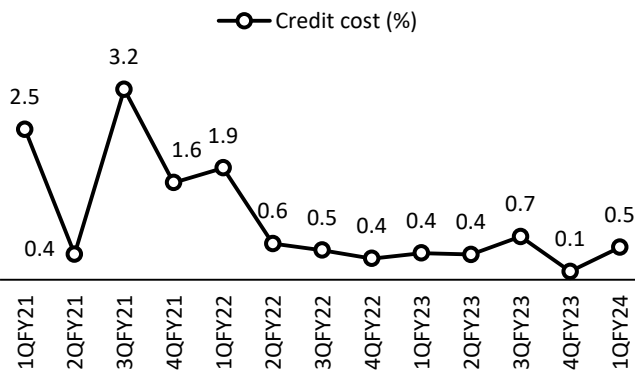
*2Q/3QFY21 includes pro forma slippages Source: MOFSL, Company

Exhibit 11: GNPA/NNPA ratios remain stable



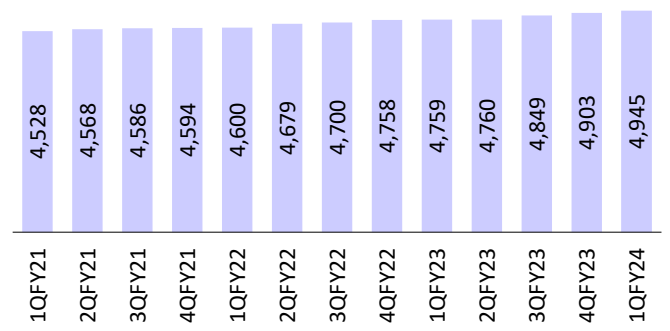
Source: MOFSL, Company

Exhibit 12: Core credit cost increased to 0.5%



Source: MOFSL, Company

Exhibit 13: Total number of branches stands at 4,945



Source: MOFSL, Company

Exhibit 14: DuPont Analysis: RoA to witness steady increase

Y/E MARCH	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	7.08	7.37	7.30	6.66	6.23	6.83	7.58	7.64
Interest Expense	4.20	4.46	4.36	3.59	3.17	3.39	4.04	3.96
Net Interest Income	2.88	2.91	2.94	3.07	3.06	3.45	3.55	3.68
Fee income	1.49	1.66	1.56	1.19	1.28	1.35	1.52	1.55
Trading and others	0.21	0.10	0.25	0.10	0.13	-0.02	-0.02	-0.02
Non Interest income	1.70	1.76	1.81	1.29	1.41	1.32	1.50	1.53
Total Income	4.58	4.67	4.75	4.36	4.47	4.77	5.05	5.21
Operating Expenses	2.16	2.12	2.02	1.93	2.18	3.18	2.33	2.29
Employee cost	0.67	0.64	0.62	0.65	0.70	0.70	0.75	0.74
Others	1.50	1.49	1.40	1.28	1.48	2.48	1.58	1.55
Operating Profit	2.41	2.55	2.73	2.43	2.29	1.59	2.72	2.92
Core Operating Profit	2.21	2.45	2.48	2.33	2.16	1.61	2.74	2.95
Provisions	2.39	1.61	2.16	1.51	0.68	0.23	0.34	0.38
NPA	2.57	1.37	1.49	1.15	0.48	0.27	0.33	0.36
Others	-0.17	0.24	0.67	0.35	0.20	-0.04	0.01	0.02
PBT	0.02	0.93	0.57	0.93	1.61	1.36	2.38	2.54
Tax	-0.02	0.31	0.38	0.23	0.40	0.59	0.60	0.64
RoA	0.04	0.63	0.19	0.69	1.20	0.77	1.78	1.90
Leverage (x)	10.8	11.5	11.3	10.2	10.0	10.4	9.9	9.3
RoE	0.5	7.2	2.1	7.1	12.0	8.0	17.6	17.7

Financials and valuations

Income Statement								(INRb)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Interest Income	457.8	549.9	626.4	633.5	673.8	851.6	1,068.1	1,235.2
Interest Expense	271.6	332.8	374.3	341.1	342.4	422.2	568.5	640.0
Net Interest Income	186.2	217.1	252.1	292.4	331.3	429.5	499.7	595.2
Growth (%)	2.9	16.6	16.1	16.0	13.3	29.6	16.3	19.1
Non Interest Income	109.7	131.3	155.4	122.6	152.2	165.0	211.2	247.1
Total Income	295.8	348.4	407.4	415.0	483.5	594.5	710.9	842.3
Growth (%)	(0.7)	17.8	16.9	1.9	16.5	22.9	19.6	18.5
Operating Expenses	139.9	158.3	173.0	183.8	236.1	396.6	328.3	369.9
Pre Provision Profits	155.9	190.1	234.4	231.3	247.4	197.9	382.6	472.4
Growth (%)	(11.3)	21.9	23.3	(1.3)	7.0	(20.0)	93.3	23.5
Core PPP	142.7	182.5	212.7	221.5	233.6	200.7	385.9	476.3
Growth (%)	0.3	27.9	16.5	4.2	5.5	(14.1)	92.3	23.4
Provisions (excl tax)	154.7	120.3	185.3	143.2	73.6	28.8	47.9	61.4
PBT	1.2	69.7	49.0	88.1	173.8	169.1	334.8	411.0
Tax	(1.5)	23.0	32.8	22.2	43.6	73.3	84.4	103.6
Tax Rate (%)	(126.8)	32.9	66.8	25.2	25.1	43.3	25.2	25.2
Extraordinary expense	-	-	-	-	-	-	-	-
PAT	2.8	46.8	16.3	65.9	130.3	95.8	250.4	307.4
Growth (%)	(92.5)	1,596.4	(65.2)	304.9	97.7	(26.5)	161.4	22.8
Balance Sheet								
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	5.1	5.1	5.6	6.1	6.1	6.2	6.4	6.4
Reserves & Surplus	629.3	661.6	843.8	1,009.9	1,144.1	1,243.8	1,592.2	1,873.7
Net Worth	634.5	666.8	849.5	1,016.0	1,150.3	1,249.9	1,598.6	1,880.1
Deposits	4,536.2	5,484.7	6,401.0	6,979.9	8,219.7	9,469.5	10,795.2	12,576.4
Growth (%)	9.5	20.9	16.7	9.0	17.8	15.2	14.0	16.5
of which CASA Dep	2,438.5	2,433.9	2,637.1	3,177.5	3,700.1	4,465.4	4,976.6	5,785.1
Growth (%)	14.5	-0.2	8.3	20.5	16.4	20.7	11.4	16.2
Borrowings	1,480.2	1,527.8	1,479.5	1,428.7	1,851.3	1,863.0	1,973.5	2,176.1
Other Liabilities & Prov.	262.5	330.7	421.6	443.4	531.5	586.6	627.7	690.5
Total Liabilities	6,913.3	8,010.0	9,151.6	9,868.0	11,752.8	13,169.0	14,994.9	17,323.0
Current Assets	434.5	672.0	972.7	617.3	1,109.9	1,064.1	1,110.9	1,106.4
Investments	1,538.8	1,749.7	1,567.3	2,261.2	2,756.0	2,888.1	3,379.1	3,953.6
Growth (%)	19.5	13.7	-10.4	44.3	21.9	4.8	17.0	17.0
Loans	4,396.5	4,948.0	5,714.2	6,144.0	7,079.5	8,453.0	9,932.3	11,720.1
Growth (%)	17.8	12.5	15.5	7.5	15.2	19.4	17.5	18.0
Fixed Assets	39.7	40.4	43.1	42.5	45.7	47.3	51.1	53.2
Other Assets	503.8	599.9	854.3	803.0	763.3	720.6	521.5	489.7
Total Assets	6,913.3	8,010.0	9,151.6	9,868.0	11,754.3	13,173.3	14,994.9	17,323.0
Asset Quality								
	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
GNPA	342.5	297.9	302.3	253.1	218.2	186.0	193.3	220.7
NNPA	165.9	112.8	93.6	70.6	56.1	37.2	39.5	44.7
GNPA Ratio	7.5	5.8	5.1	4.0	3.0	2.2	1.9	1.9
NNPA Ratio	3.8	2.3	1.6	1.1	0.8	0.4	0.4	0.4
Slippage Ratio	8.2	3.0	3.7	2.9	3.0	1.9	1.9	1.9
Credit Cost	4.1	2.2	2.4	1.8	0.8	0.4	0.5	0.5
PCR (Excl Tech. write off)	51.6	62.1	69.0	72.1	74.3	80.0	79.6	79.8

E: MOSL Estimates

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Yield and Cost Ratios (%)								
Avg. Yield-Earning Assets	7.7	8.0	8.0	7.3	6.7	7.3	8.0	7.9
Avg. Yield on loans	8.4	8.8	9.1	8.0	7.5	8.3	8.9	8.7
Avg. Yield on Investments	7.2	7.0	6.9	6.7	5.9	6.5	6.9	6.9
Avg. Cost-Int. Bear. Liab.	4.8	5.1	5.0	4.2	3.7	3.9	4.7	4.7
Avg. Cost of Deposits	4.4	4.7	4.9	4.0	3.5	3.6	4.5	4.5
Avg. Cost of Borrowings	6.3	6.4	5.4	5.2	4.6	5.6	5.7	5.4
Interest Spread	2.9	2.9	3.0	3.1	3.0	3.3	3.2	3.3
Net Interest Margin	3.1	3.2	3.2	3.4	3.3	3.7	3.7	3.8

Capitalisation Ratios (%)

CAR	16.6	15.9	17.6	19.2	18.5	17.6	18.2	17.4
Tier I	13.0	12.7	14.6	16.6	16.4	14.6	15.7	15.3
Tier II	3.5	3.2	3.0	2.6	2.1	3.1	2.5	2.1

Business and Efficiency Ratios (%)

Loans/Deposit Ratio	96.9	90.2	89.3	88.0	86.1	89.3	92.0	93.2
CASA Ratio	53.8	44.4	41.2	45.5	45.0	47.2	46.1	46.0
Cost/Avg Assets	2.2	2.1	2.0	1.9	2.2	3.2	2.3	2.3
Cost/Total Income	47.3	45.4	42.5	44.3	48.8	66.7	46.2	43.9
Cost/Core Income	49.5	46.5	44.9	45.3	50.3	66.4	46.0	43.7
Int. Expense/Int.Income	59.3	60.5	59.8	53.8	50.8	49.6	53.2	51.8
Fee Income/Total Income	27.8	31.2	28.9	23.4	24.7	25.2	26.1	25.8
Non Int. Inc./Total Income	37.1	37.7	38.1	29.5	31.5	27.8	29.7	29.3
Investment/Deposit Ratio	33.9	31.9	24.5	32.4	33.5	30.5	31.3	31.4

Profitability Ratios and Valuation

RoE	0.5	7.2	2.1	7.1	12.0	8.0	17.6	17.7
RoA	0.0	0.6	0.2	0.7	1.2	0.8	1.8	1.9
RoRWA	0.1	0.8	0.3	1.0	1.7	1.1	2.4	2.4
Book Value (INR)	247.2	259.3	301.1	331.6	375.2	406.2	496.8	584.3
Growth (%)	6.2	4.9	16.1	10.2	13.1	8.3	22.3	17.6
Price-BV (x)	3.5	3.4	2.9	2.6	2.3	2.2	1.8	1.5
Adjusted BV (INR)	193.8	219.7	269.7	308.0	354.1	388.2	478.6	564.5
Price-ABV (x)	4.5	4.0	3.2	2.8	2.5	2.3	1.8	1.6
EPS (INR)	1.1	18.2	6.0	22.4	42.5	31.2	79.6	95.5
Growth (%)	-92.8	1,538.1	-66.9	271.0	89.7	-26.6	155.2	20.1
Price-Earnings (x)	788.3	48.1	145.2	39.1	20.6	28.1	11.0	9.2
Dividend Per Share (INR)	5.5	0.0	1.0	0.0	1.0	1.0	6.7	8.1
Dividend Yield (%)	0.6	0.0	0.1	0.0	0.1	0.1	0.7	0.8

E: MOFSL Estimates

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Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.