

January 24, 2024

Company Report

☑ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
Rating	BUY		BUY	
Target Price	1,250		1,250	
NII (Rs. m)	5,48,919	6,18,623	5,49,223	6,24,494
% Chng.	(0.1)	(0.9)		
Op. Profit (Rs. m)	3,94,307	4,56,363	3,89,462	4,70,343
% Chng.	1.2	(3.0)		
EPS (Rs.)	85.2	98.3	83.4	100.9
% Chng.	2.1	(2.6)		

Key Financials - Standalone

Y/e Mar	FY23	FY24E	FY25E	FY26E
NII (Rs m)	4,29,457	4,94,622	5,48,919	6,18,623
Op. Profit (Rs m)	3,21,443	3,56,191	3,94,307	4,56,363
PAT (Rs m)	2,19,334	2,36,805	2,63,128	3,04,342
EPS (Rs.)	71.3	76.8	85.2	98.3
Gr. (%)	68.0	7.7	10.9	15.4
DPS (Rs.)	1.0	8.4	9.4	10.8
Yield (%)	0.1	0.8	0.9	1.0
NIM (%)	3.7	3.8	3.7	3.6
RoAE (%)	18.3	17.2	16.5	16.6
RoAA (%)	1.8	1.7	1.7	1.7
P/BV (x)	2.7	2.2	2.0	1.7
P/ABV (x)	2.8	2.3	2.0	1.8
PE (x)	15.3	14.2	12.8	11.1
CAR (%)	17.6	16.8	17.0	16.9

Key Data

AXBK.BO | AXSB IN

52-W High / Low	Rs.1,152 / Rs.814
Sensex / Nifty	70,371 / 21,239
Market Cap	Rs.3,360bn/ \$ 40,400m
Shares Outstanding	3,084m
3M Avg. Daily Value	Rs.9301.18m

Shareholding Pattern (%)

Promoter's	8.20
Foreign	54.68
Domestic Institution	28.83
Public & Others	8.29
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	0.1	12.1	16.8
Relative	1.1	6.3	0.6

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Limited growth headroom but opex can surprise

Quick Pointers:

- Core PPOp beat due to better NII and controlled opex; asset quality was better.
- Trim loan growth by 1%; we are watchful of RTD growth and opex.

While AXSB delivered a stable quarter balance sheet management remains a key monitorable. Core PPOp beat PLe by 5% led by better NII and lower opex. Asset quality was superior due to lower slippages and healthier recoveries. NIM at 4.06% was protected for Q3'24 as 66% of credit flow was attributable to higher yielding segments. Funding cost may rise at a faster pace in Q4'24. Sequential deposit growth at 5.2% was driven by WTD (+9.4%) which led to reduction in LDR by 1%. RBI directive on unsecured NBFC credit impacted CET-1 by 70bps QoQ (13.7% in Q3'24). Bank expects system loan/deposit growth to converge at 13%; we trim loan CAGR for AXSB by 1% over FY24-26E to 14%. We remain watchful of the interplay between credit and deposits for AXSB since (1) system liquidity is tight and CET-1 is lower while LDR is higher compared to peers and (2) LCR is at 118%. With likely RoA of 1.7% for FY25/26E, we maintain multiple at 2.2x and TP of Rs1,250. Retain 'BUY'.

- Core PPOp beat led by higher NII/lower opex; asset quality better:** NII was ahead at Rs125.3bn (PLe Rs123.1bn) led by tad better loan growth at 22.3% YoY (PLe 22%) while NIM was largely in-line at 4.06%. Deposit growth was more at 18.4% YoY (PLe 15.4%). Other income was a beat at Rs55.55bn led by higher treasury gains; while fees were as expected. Opex was a beat by 2.4% to PLe at Rs89.46bn due to lower other opex, while staff cost was slightly higher. Core PPOp was 5% higher to PLe at Rs88.5bn while PPOp was a beat at Rs91.4bn (PLe Rs85.8bn). Asset quality was better; GNPA declined by 15bps QoQ to 1.58% due to lower net slippages at Rs11.2bn (PLe Rs15.5bn); PCR slightly fell to 78% (Q2'24 79.5%). Provisions were Rs10.28bn which included Rs1.82bn related to investment in AIF. Core PAT at Rs58.53bn was 6.4% higher to PLe; PAT was Rs60.7bn (PLe Rs56.1bn).
- Sequential loan growth led by retail:** Credit growth was 3.9% QoQ mainly attributable to retail (+5.2%) while SME grew by 4.2% and corporate saw muted accretion (1.3%). Retail (59% share) witnessed broad based growth with mortgages, unsecured, SBB and agri seeing good traction. Due to impact of RBI direction on unsecured and NBFC exposure, Bank's CET-1 was affected by 70bps QoQ taking the CET-1 to 13.7%. Existing secured to unsecured mix is ~80:20 and management is comfortable taking it to 75:25. Strong deposit growth at 5.2% QoQ was mainly led wholesale TD (+9.4%) since RTD growth was 2.2% QoQ. Along with RTD, Bank is also focusing on non-callable wholesale deposits since it expects tight liquidity to continue in FY25 as well. CASA ratio was 42.1% (44.4% Q2'24).
- NIM and opex trajectory to be watched; better asset quality:** Margins were protected for Q3'24 as 66% of credit flow for the quarter was driven by higher yielding segments despite stronger deposit growth. As per the bank, funding cost would rise for the next 2 quarters; we see a higher NIM compression of 19bps in Q4'24 compared to 13bps in Q3'24. Overall opex growth was softer at 2.6% QoQ and technology/digital spends constituted 9% of overall opex. 90% of gross slippages was led by retail and GNPA was 13bps lower to PLe due to better recoveries. Net credit cost at 28bps improved by 14bps QoQ aided by higher recoveries and an upgrade of a large corporate OTR account.

Exhibit 1: PAT was a beat at Rs60.7bn led by higher other income

Financial Statement (Rs m)	Q3FY24	Q3FY23	YoY gr. (%)	Q2FY24	QoQ gr. (%)
Interest Income	279,611	222,264	25.8	266,262	5.0
Interest Expenses	154,290	107,671	43.3	143,116	7.8
Net interest income (NII)	125,322	114,593	9.4	123,146	1.8
-Treasury Income	2,910	4,280	(32.0)	(1,010)	(388.1)
Other income	55,548	46,654	19.1	50,341	10.3
Total income	180,870	161,248	12.2	173,486	4.3
Operating expenses	89,457	68,473	30.6	87,168	2.6
-Staff expenses	27,113	22,811	18.9	26,098	3.9
-Other expenses	62,344	45,662	36.5	61,070	2.1
Operating profit	91,412	92,775	(1.5)	86,319	5.9
Core operating profit	88,502	88,495	0.0	87,329	1.3
Total provisions	10,283	14,377	(28.5)	8,146	26.2
Profit before tax	81,129	78,398	3.5	78,173	3.8
Tax	20,418	19,867	2.8	19,537	4.5
Profit after tax	60,711	58,531	3.7	58,636	3.5
Balance sheet (Rs m)					
Deposits	10,048,995	8,483,747	18.4	9,555,564	5.2
Advances	9,322,864	7,622,769	22.3	8,973,470	3.9
Ratios (%)					
Profitability ratios					
NIM	4.1	4.2	(16)	4.2	(13)
RoaA	1.9	2.0	(15)	1.9	(1)
RoaE	17.7	19.4	(168)	17.9	(21)
Asset Quality					
Gross NPL	158,930	199,610	(20.4)	167,567	(5.2)
Net NPL	35,269	38,301	(7.9)	34,413	2.5
Gross NPL ratio	1.6	2.5	(88)	1.7	(15)
Net NPL ratio	0.4	0.5	(12)	0.4	-
Coverage ratio (Calc)	77.8	80.8	(300)	79.5	(165)
Business & Other Ratios					
Low-cost deposit mix	42.1	44.6	(245)	44.4	(222)
Cost-income ratio	49.5	42.5	700	50.2	(79)
Non int. inc / total income	30.7	28.9	178	29.0	169
Credit deposit ratio	92.8	89.9	292	93.9	(113)
CAR	16.6	17.6	(97)	17.8	(121)
Tier-I	13.7	14.2	(53)	14.6	(85)

Source: Company, PL

Exhibit 2: Loan growth at 22.8% YoY/ 4.5% QoQ led by retail and SME

Segmental Mix (Rs m)	Q3FY24	Q3FY23	YoY gr. (%)	Q2FY24	QoQ gr. (%)
Large & mid-corporate	2,852,440	2,533,920	12.6	2,816,570	1.3
SME Advances	1,000,430	793,700	26.0	959,540	4.3
Retail	5,469,990	4,295,140	27.4	5,197,360	5.2
- Housing Loans	2,214,170	1,918,570	15.4	2,130,230	3.9
- Personal loans	650,830	506,880	28.4	611,680	6.4
- Auto loans	578,740	468,340	23.6	555,770	4.1

Source: Company, PL

Key Q3FY24 Concall Highlights

- **Mgmt. guided higher than industry credit/deposit growth by 400-600bps.** Bank will remain watchful of emerging macro trends and will strategize accordingly. Witnessed market leading growth in focused segments (MSME, mid-corporate, small banking business), MSME continues to be key driver, however, the management states that it will focus on sectors as the opportunity comes.
- **Broad-based corporate book growth of 3% QoQ** was led by healthy pickup across segments with introduction of NEO, a digital app, for corporates. Domestic corporate grew by 3%/23% QoQ/YoY. Mid-corporate SME and small businesses grew by 5%/30% QoQ/YoY forming 21% of the loan book. API led transaction banking continued to witness strong adoption. Transaction volumes and throughput have surged by 7 and 4.8 times respectively. Corporate loans form 31% of total loan book
- **Retail book grew 5% QoQ** driven by personal loans and cards segment. Retail advances constituted 59% of overall loan book aided by improved customer sentiments and festive demands. Low yielding RIDF bonds declined by INR8,170 crores Y-o-Y RIDF comprised 1.8% of our assets as at Dec'23 compared to 2.73% of our assets at Dec'22. Disbursement growth in home loans was 37% YOY, small business and auto loans 33% YOY, retail agribusiness 46% YOY and personal loans at 61% YOY.
- **Deposits grew by 5.2% QoQ with NRTD contributing to majority.** CASA ratio stood at 42.1% vs 44.4% in Q2FY23. There has been tight liquidity and management expects the same to continue for the next FY as well. As a result, management is focusing on all the deposits available including wholesale, non-callable, and trying to maintain a balance. The credit growth and deposit growth is estimated to converge at ~13%.
- **In Q3FY24, LCR was stable at 118%**, and the management is comfortable with the current LCR and guided there are enough levers to fund loan growth. LCR to remain in the range of 115%-120%. In terms of LDR, the management believes itself to be in a comfortable space. The ideology is stated in form of 2 pillars, 1. Capital protection (Domestic AAA) and 2. Capital increase i.e. organic increase of the CET1 accretion and has worked towards increasing it by 39bps during 9MFY24.
- **Current mix of secured to unsecured is 80%/20%.** However, the management believes to move the mix up to 75%/25% in order to improve yields. The bank also has a list of non-customer list to which they are able to sell personal loans and credit cards. The data for the same comes from various partnerships like Airtel, Samsung, Flipkart, etc.
- The bank has a strong relationship with the government at the center, state government, district, panchayat. There is continuous increase in the amounts of tax and GST collected. The government is looking to get more efficient in terms of these cash flows. However, as the flows become more digital the amount of float in the system will reduce. It may happen gradually though.

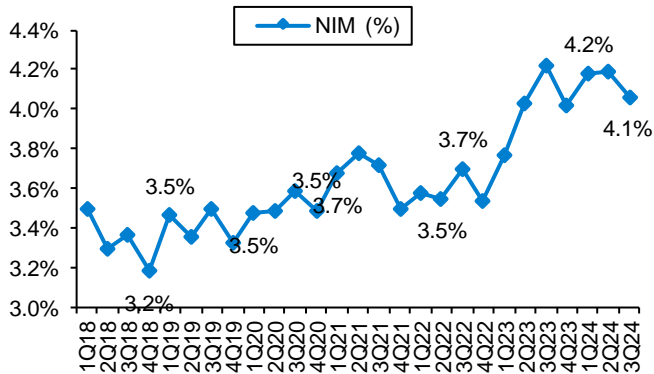
Opex/NIMs

- **Reported NIMs at 4.1% (9MFY24)** is stated to progress with a better management in the balance sheet between loans and investments (89% of total assets). The granular fee comprises of 93% of the total fees. Total retail fee grew 6%/36% QoQ/YoY. Fee on retail loans grew 7%/26% QoQ/YoY. Retail card fee grew 12%/58% QoQ/YoY, commercial card fee grew 10%/35% QoQ/YoY. Fees from third-party products grew 12%/42% QoQ/YoY and commercial banking business grew 6%/13% QoQ/YoY
- In terms of growth, the management believes that both Deposit growth and NIMs are important and a balance is to be maintained as the future unfolds. Currently, the growth is attributed to turnaround time being improved, channel management getting stronger, sourcing from branch has increased and there is deeper distribution into the rural Bharat banking branches.
- **Operating expenses were up by 24.5% YoY/ 4% QoQ** driven by both employee and other operating expense. Technology and digital spends grew 36% YoY and constituted 9% of the total operating expenses. Staff costs increased by 19% led by growth in business and technology teams. 100 new branches were opened in the current quarter.

Asset Quality

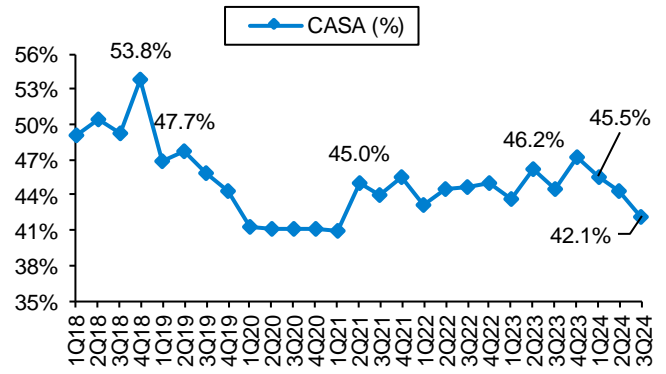
- **In Q3FY24, GNPA/NNPA stood at 1.58%/0.36%**, slippages were higher by 14.2% QoQ at Rs37.15bn. Write off was lower at Rs19.8bn. Gross slippages for Q3 were Rs37.15bn of which retail was Rs33.84bn, CBG was Rs2.38bn and wholesale was Rs0.93bn. Net credit cost at 28bps improved by 14bps QoQ aided by higher recoveries and an upgrade of a large corporate restructured account.
- **Covid provisions have not been utilized** and the management expects the same to be carried forward in regards to prudence. As on September 30, 2023 total provision carried by the bank are Rs119.81bn. Non-NPA provisions split: Covid - Rs50.1bn, restructuring – Rs5.9bn, std. asset – Rs22.16bn and others – Rs41.66bn.
- The increase in provisions is on account of provision on AIF. 46% of the AIF investments are in AIFs that are directly or indirectly government owned or from sponsoring entities. The bank has not invested in any single AIF amount greater than INR50 crores. The portfolio overlap in AIF is 85% A- and above rated exposures and 15% AAA rated exposures. The realizable value at 31st December is close to the holding cost of the investment. The bank has prudently provided 100% of its entire AIF outstanding.

Exhibit 3: NIMs fell to 4.1% due to higher CoF



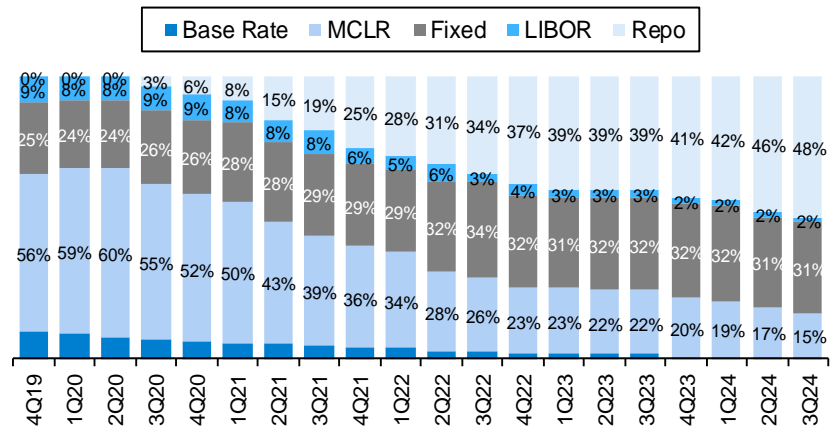
Source: Company, PL

Exhibit 4: CASA declined to 42.1% led by higher TD growth



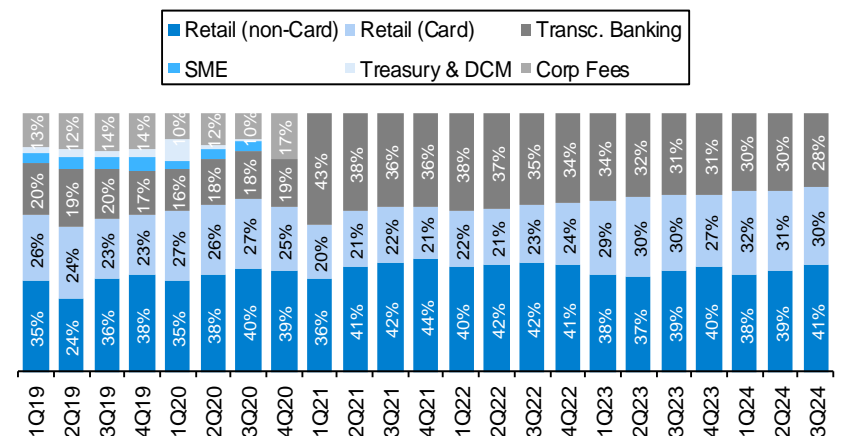
Source: Company, PL

Exhibit 5: Floating loan rate share stable at 69%



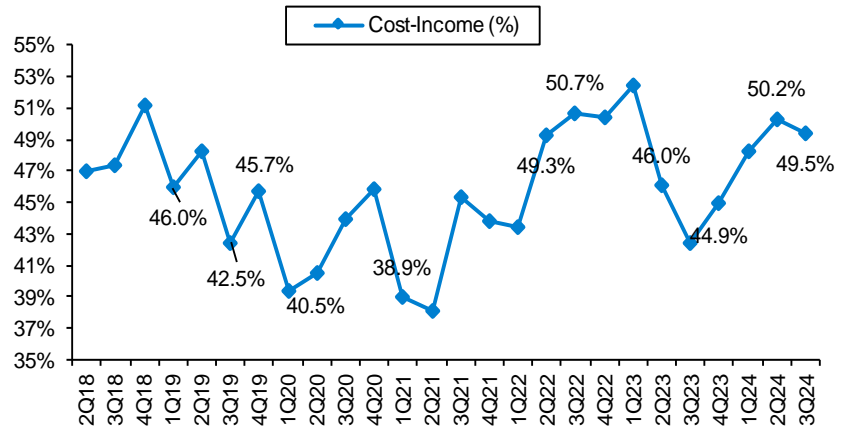
Source: Company, PL

Exhibit 6: Retail fees constitute 71% majorly from non-cards and payments



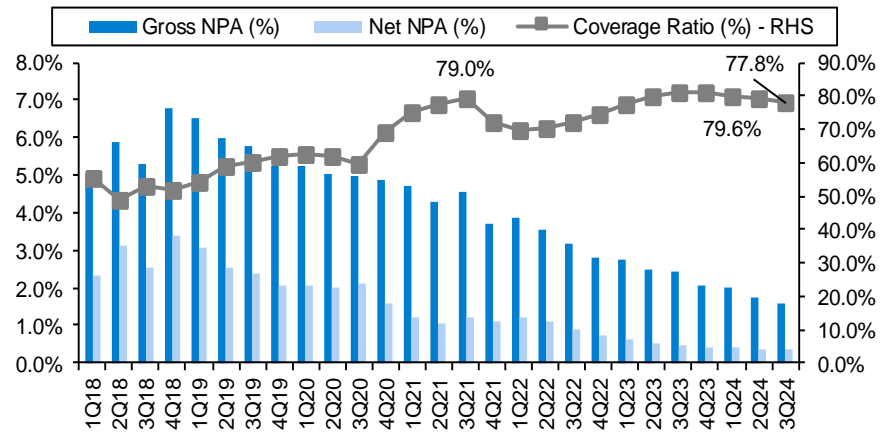
Source: Company Data, PL Research

Exhibit 7: C/I decreased to 49.5% due to increase in operating expenses



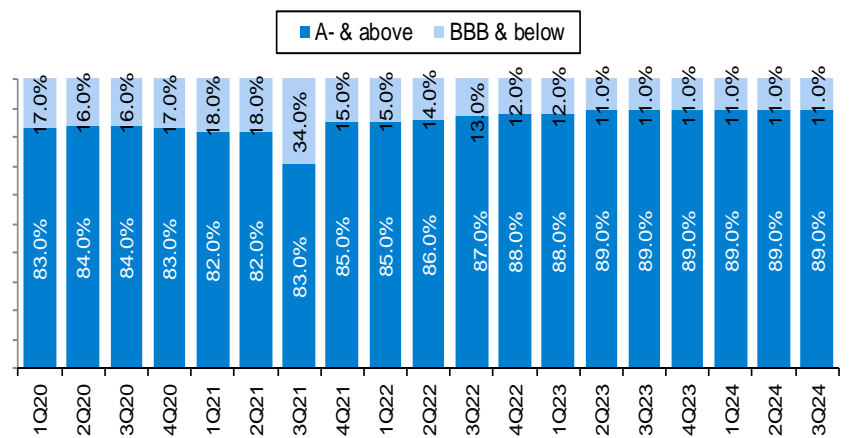
Source: Company, PL

Exhibit 8: Asset quality improves sequentially, PCR stable at 77.8%

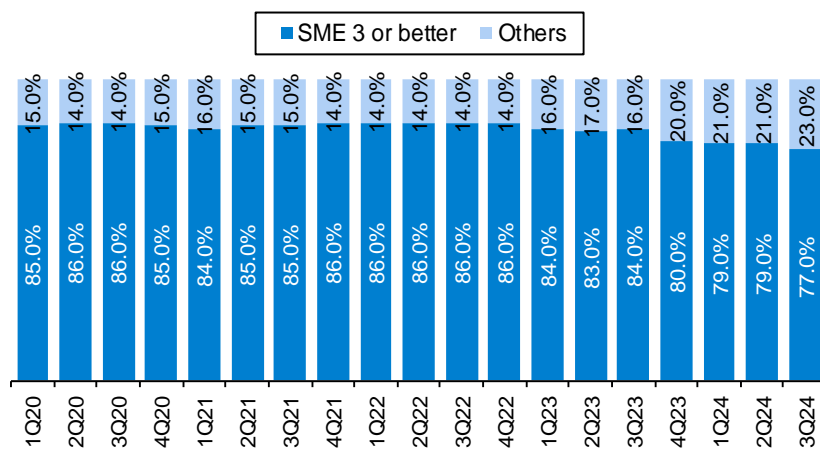


Source: Company, PL

Exhibit 9: Corporate book rating book mix steady at 89:11



Source: Company, PL Note – BB book clubbed with BBB from Q4FY20

Exhibit 10: SME rating mix falls marginally to 77:23


Source: Company, PL

Exhibit 11: Annualized slippages reduced to 2.10%, and write off was lower, restructured book at 0.16%

Stressed Loans (Rs Mn)	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Gross slippages	39200	22180	17510	79930	52850	65180	54640	41470	39810	36840	33830	38070	37710	39900	32540	37150
Recoveries+ Up gradations	24890	6080	20260	21620	34620	25430	25080	32880	37630	29570	28260	20880	26990	23050	19850	25980
Write-offs	12700	22840	18120	42570	55300	33410	47570	17070	17218	15126	17000	16517	24288	21310	26710	19810
Annualized Slippages (%)	3.17	1.55	1.23	5.60	3.70	4.24	3.56	2.70	2.59	2.08	1.91	2.15	2.13	2.25	1.84	2.10
BB & Below book	65,280	64,200	91,180	87,220	74,430	80,420	66,970	64,960	57,780	48,580	49,390	44,510	34,780	36,450	34,340	28,840
NFB O/s to BB & Below exposures	39,060	37,210	49,280	47,960	45,740	44,240	44,390	43,240	27,800	25,190	22,610	18,940	13,710	13,850	13,260	14,820
Investments O/s in BB & Below rating	5,620	6,120	8,080	6,200	6,660	6,350	6,100	6,700	8,260	7,960	7,870	7,310	6,730	7,870	6,560	6,680
Total BB & below book	34,088	26,883	114,376	106,035	91,318	91,707	82,222	82,728	70,380	62,932	63,896	57,316	44,728	46,536	43,328	40,272
% of customer assets	1.9%	1.7%	2.3%	2.2%	1.9%	1.9%	1.7%	1.6%	1.2%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%
Provisions held	75,872	80,648	34,164	35,345	35,512	39,303	35,238	32,172	23,460	18,798	15,974	13,444	10,492	11,634	10,832	10,068
Total Restructured Dispensation				27090	18480	21920	43420	46430	40290	34020	29960	24820	20470	19070	17560	16410
% of loans				0.48%	0.30%	0.32%	0.70%	0.70%	0.57%	0.49%	0.38%	0.30%	0.22%	0.21%	0.19%	0.16%

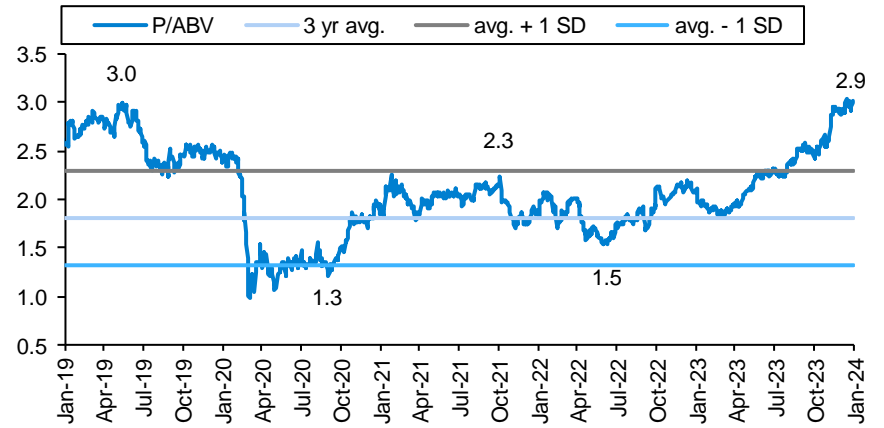
Source: Company, PL

Exhibit 12: Return ratios to < 17%, due to elevated costs

RoA decomposition	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Net interest income	2.9	3.1	3.1	3.4	3.6	3.5	3.5
Other Inc. from operations	1.8	1.6	1.4	1.3	1.5	1.6	1.6
Total income	4.7	4.6	4.5	4.8	5.1	5.1	5.1
Employee expenses	0.6	0.6	0.7	0.7	0.8	0.8	0.8
Other operating expenses	1.4	1.3	1.5	1.5	1.8	1.8	1.7
Operating profit	2.7	2.7	2.3	2.6	2.6	2.5	2.6
Tax	0.4	0.2	0.4	0.6	0.6	0.6	0.6
Loan loss provisions	2.2	1.8	0.7	0.2	0.3	0.3	0.3
RoAA	0.2	0.7	1.2	1.8	1.7	1.7	1.71
RoAE	2.1	7.1	12.0	18.3	17.2	16.5	16.6

Source: Company, PL

Exhibit 13: One-year forward P/ABV trades at 2.9x



Source: Company, PL

Income Statement (Rs. m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
Int. Earned from Adv.	6,45,538	8,79,038	9,67,523	10,67,532
Int. Earned from invt.	1,81,787	1,97,224	2,14,861	2,42,147
Others	15,322	13,893	14,816	16,115
Total Interest Income	8,51,638	10,99,052	12,08,690	13,39,652
Interest Expenses	4,22,180	6,04,430	6,59,771	7,21,029
Net Interest Income	4,29,457	4,94,622	5,48,919	6,18,623
<i>Growth(%)</i>	29.6	15.2	11.0	12.7
Non Interest Income	1,65,009	2,13,547	2,41,310	2,83,240
Net Total Income	5,94,466	7,08,169	7,90,229	9,01,864
<i>Growth(%)</i>	23.1	29.1	10.5	11.9
Employee Expenses	87,601	1,08,294	1,22,999	1,35,032
Other Expenses	1,78,015	2,43,684	2,72,923	3,10,469
Operating Expenses	2,73,023	3,51,977	3,95,922	4,45,501
Operating Profit	3,21,443	3,56,191	3,94,307	4,56,363
<i>Growth(%)</i>	29.9	10.8	10.7	15.7
NPA Provision	31,690	29,786	24,504	29,177
Total Provisions	28,848	39,778	42,531	49,488
PBT	2,92,596	3,16,413	3,51,776	4,06,875
Tax Provision	73,262	79,608	88,648	1,02,532
<i>Effective tax rate (%)</i>	25.0	25.2	25.2	25.2
PAT	2,19,334	2,36,805	2,63,128	3,04,342
<i>Growth(%)</i>	68.4	8.0	11.1	15.7

Balance Sheet (Rs. m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
Face value	2	2	2	2
No. of equity shares	3,077	3,084	3,090	3,096
Equity	6,154	6,168	6,180	6,192
Networth	12,49,932	14,96,775	16,94,900	19,65,776
<i>Growth(%)</i>	8.7	19.7	13.2	16.0
Adj. Networth to NNPA's	35,589	34,050	38,081	42,639
Deposits	94,69,452	1,05,12,159	1,20,37,348	1,37,16,942
<i>Growth(%)</i>	15.2	11.0	14.5	14.0
CASA Deposits	44,65,365	44,46,309	50,25,431	57,96,175
<i>% of total deposits</i>	47.2	42.3	41.7	42.3
Total Liabilities	1,31,73,255	1,44,75,595	1,66,19,742	1,88,84,562
Net Advances	84,53,028	97,23,747	1,10,83,201	1,26,39,725
<i>Growth(%)</i>	19.4	15.0	14.0	14.0
Investments	28,88,148	32,06,208	37,81,150	42,90,410
Total Assets	1,31,73,255	1,44,75,595	1,66,19,742	1,88,84,562
<i>Growth (%)</i>	12.1	9.9	14.8	13.6

Asset Quality

Y/e Mar	FY23	FY24E	FY25E	FY26E
Gross NPAs (Rs m)	1,86,042	1,55,422	1,73,434	1,94,377
Net NPAs (Rs m)	35,589	34,050	38,081	42,639
<i>Gr. NPAs to Gross Adv.(%)</i>	2.2	1.6	1.6	1.5
<i>Net NPAs to Net Adv. (%)</i>	0.4	0.3	0.3	0.3
<i>NPA Coverage %</i>	80.9	78.1	78.0	78.1

Profitability (%)

Y/e Mar	FY23	FY24E	FY25E	FY26E
NIM	3.7	3.8	3.7	3.6
RoAA	1.8	1.7	1.7	1.7
RoAE	18.3	17.2	16.5	16.6
Tier I	14.6	14.8	14.8	14.8
CRAR	17.6	16.8	17.0	16.9

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Interest Income	2,39,698	2,55,568	2,66,262	2,79,611
Interest Expenses	1,22,276	1,35,980	1,43,116	1,54,290
Net Interest Income	1,17,422	1,19,588	1,23,146	1,25,322
<i>YoY growth (%)</i>	33.1	27.4	18.9	9.4
CEB	46,760	44,880	49,630	51,700
Treasury	-	-	-	-
Non Interest Income	48,953	50,873	50,341	55,548
Total Income	2,88,651	3,06,440	3,16,603	3,35,160
Employee Expenses	21,636	26,885	26,098	27,113
Other expenses	53,063	55,432	61,070	62,344
Operating Expenses	74,699	82,317	87,168	89,457
Operating Profit	91,676	88,144	86,319	91,412
<i>YoY growth (%)</i>	41.8	49.7	11.9	(1.5)
Core Operating Profits	90,846	82,954	87,329	88,502
NPA Provision	2,700	11,460	10,100	-
Others Provisions	3,058	10,349	8,146	10,283
Total Provisions	3,058	10,349	8,146	10,283
Profit Before Tax	88,618	77,795	78,173	81,129
Tax	21,004	19,824	19,537	20,418
PAT	67,614	57,971	58,636	60,711
<i>YoY growth (%)</i>	64.2	40.5	10.0	3.7
Deposits	94,69,452	94,16,897	95,55,564	1,00,48,995
<i>YoY growth (%)</i>	15.2	17.2	17.8	18.4
Advances	84,53,028	85,85,114	89,73,470	93,22,864
<i>YoY growth (%)</i>	19.4	22.4	22.7	22.3

Key Ratios

Y/e Mar	FY23	FY24E	FY25E	FY26E
CMP (Rs)	1,089	1,089	1,089	1,089
EPS (Rs)	71.3	76.8	85.2	98.3
Book Value (Rs)	406	485	549	635
Adj. BV (Rs)	394	474	536	621
P/E (x)	15.3	14.2	12.8	11.1
P/BV (x)	2.7	2.2	2.0	1.7
P/ABV (x)	2.8	2.3	2.0	1.8
DPS (Rs)	1.0	8.4	9.4	10.8
<i>Dividend Payout Ratio (%)</i>	1.4	11.0	11.0	11.0
<i>Dividend Yield (%)</i>	0.1	0.8	0.9	1.0

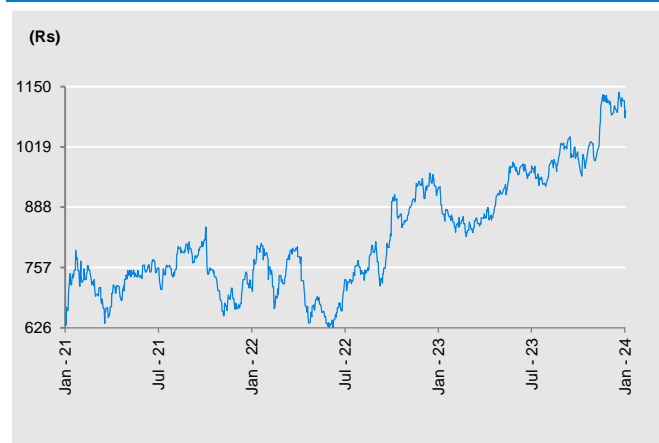
Efficiency

Y/e Mar	FY23	FY24E	FY25E	FY26E
<i>Cost-Income Ratio (%)</i>	45.9	49.7	50.1	49.4
<i>C-D Ratio (%)</i>	89.3	92.5	92.1	92.1
Business per Emp. (Rs m)	195	199	214	231
Profit per Emp. (Rs lacs)	24	23	24	27
Business per Branch (Rs m)	3,655	3,798	4,108	4,446
Profit per Branch (Rs m)	45	44	47	51

Du-Pont

Y/e Mar	FY23	FY24E	FY25E	FY26E
NII	3.45	3.58	3.53	3.48
Total Income	4.77	5.12	5.08	5.08
Operating Expenses	2.19	2.55	2.55	2.51
PPoP	2.58	2.58	2.54	2.57
Total provisions	0.23	0.29	0.27	0.28
RoAA	1.76	1.71	1.69	1.71
RoAE	18.54	16.90	16.41	16.56

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jan-24	BUY	1,250	1,137
2	31-Oct-23	BUY	1,250	980
3	07-Oct-23	BUY	1,170	1,001
4	27-Jul-23	BUY	1,170	977
5	06-Jul-23	BUY	1,140	981
6	28-Apr-23	BUY	1,140	881
7	11-Apr-23	BUY	1,100	846
8	02-Mar-23	BUY	1,100	865

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Hold	1,560	1,566
2	Axis Bank	BUY	1,250	1,137
3	Bank of Baroda	BUY	240	235
4	Can Fin Homes	BUY	900	781
5	City Union Bank	Accumulate	160	153
6	DCB Bank	BUY	160	158
7	Federal Bank	BUY	180	150
8	HDFC Asset Management Company	BUY	3,900	3,501
9	HDFC Bank	BUY	2,000	1,679
10	ICICI Bank	BUY	1,300	1,009
11	IndusInd Bank	BUY	1,740	1,613
12	Kotak Mahindra Bank	BUY	2,250	1,807
13	LIC Housing Finance	Hold	460	575
14	State Bank of India	BUY	770	642
15	UTI Asset Management Company	BUY	900	875

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly



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