

October 16, 2025

Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	1,425		1,375	
NII (Rs m)	5,57,477	6,41,767	5,55,875	6,27,040
% Chng.	0.3	2.3		
Op. Profit (Rs m)	4,41,062	5,10,387	4,42,997	5,04,274
% Chng.	(0.4)	1.2		
EPS (Rs.)	79.8	102.1	83.9	100.2
% Chng.	(4.9)	1.9		

Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
NII (Rs m)	5,43,478	5,57,477	6,41,767	7,29,687
Op. Profit (Rs m)	4,21,049	4,41,062	5,10,387	5,80,795
PAT (Rs m)	2,63,735	2,47,606	3,16,733	3,62,542
EPS (Rs.)	85.1	79.8	102.1	116.8
Gr. (%)	5.7	(6.3)	27.9	14.5
DPS (Rs.)	1.0	1.0	1.3	1.5
Yield (%)	0.1	0.1	0.1	0.1
NIM (%)	3.7	3.4	3.6	3.6
RoAE (%)	15.9	12.9	14.4	14.3
RoAA (%)	1.7	1.5	1.7	1.7
P/BV (x)	2.0	1.8	1.5	1.3
P/ABV (x)	2.1	1.8	1.6	1.4
PE (x)	13.7	14.7	11.5	10.0
CAR (%)	17.1	17.2	17.2	17.1

Key Data

AXBK.BO | AXSB IN

52-W High / Low	Rs.1,247 / Rs.934	
Sensex / Nifty	82,605 / 25,324	
Market Cap	Rs.3,629bn / \$ 41,208m	
Shares Outstanding	3,103m	
3M Avg. Daily Value	Rs.8768.47m	

Shareholding Pattern (%)

Promoter's	8.23
Foreign	42.88
Domestic Institution	41.89
Public & Others	7.00
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	5.9	5.1	1.4
Relative	4.9	(2.4)	0.4

Gaurav Jani

gauravjani@plindia.com | 91-22-66322235

Harshada Gite

harshadagite@plindia.com | 91-22-66322237

Kush Mehta

kushmehta@plindia.com | 91-22-66322257

Agri loan re-classification from PSL, dents profits

Quick Pointers:

- Miss on core PAT owing to one-time impact of opex and provisions.
- With stress reducing in PL/CC, provisions may normalize.

AXSB saw a weak quarter yet again as core PAT missed PLe by 23% due to higher opex and provisions. Incorrect classification of Rs240bn farm loans as PSL led to additional PSLC cost of Rs4.74bn; Rs2.37bn each will be provided over next 2 quarters. In relation to this portfolio, Bank was also directed by the RBI to make one-time std. provision of Rs12.3bn (5% cover). Barring these one-time items, core earnings were stable as (1) loan growth was higher by 170bps (2) NII/NIM and provisions were in-line. Bank saw healthy pick-up in corporate, SME and CC. Earnings quality was marred again which dented profitability; consistency is a key. We cut core PAT for FY26 by 6% but raise it by 2% for FY27 due to better loan growth. We tweak multiple to 1.7x from 1.8x but increase TP to Rs1,425 from Rs1,375 as we roll forward to Sep'27 core ABV. Retain 'BUY'.

- **Weak quarter; miss on core PAT due to higher provisions and opex:** NII was slightly higher at Rs137.4bn (PLe Rs136.3bn) due to loan growth. NIM (calc.) was-in-line at 3.63% (PLe 3.62%); reported NIM fell by 7bps QoQ to 3.73%. Loan growth was better at 11.7% YoY (PLe 10%); deposit accretion was 10.7% YoY (PLe 11.2%). LDR increased to 92.8% (91.2% in Q1'26). Other income was in-line at Rs66.2bn (PLe Rs65.5bn); fees were Rs60.4bn (PLe Rs60.6bn). Opex at Rs99.6bn was a 3.6% drag due to 9% miss on other opex; staff cost was lower. Core PPOp at Rs98.2bn was 2.6% lower; PPOp was Rs104.1bn. Asset quality steady; GNPA was lower 1.46% (PLe 1.56%) due to higher loan growth and write-offs while net slippages were Rs28.1bn (PLe Rs30.2bn). Provisions were a drag at Rs35.5bn (PLe Rs20bn) due to one-time provision of Rs12.3bn. Core PAT was a 23.3% miss at Rs46.5bn; PAT was Rs50.9bn (PLe Rs64.3bn).
- **Credit growth surprised positively:** Loan growth higher at 5.4% QoQ (PLe 3.8%) led by corporate (+10.7%) and SME (+8.8%). Retail growth at 2.0% QoQ continued to remain muted (since Q1'25). Bank suggested that while disbursal is picking up across retail, it is yet to translate to AUM because of faster runoff rates. Within retail however, LAP, CC and SBB saw good growth of 4.4%, 7.9% and 4.9%. On cards, the bank noticed 18-20% MoM jump in Sep'25 also due to pent up consumer spending in E-commerce. Daily spends grew ~2.53 times in the last week of Sep'25. Post GST cut on 22nd Sep'25, auto saw some spurt in bookings. For bank to outpace industry, retail will need to see healthy growth.
- **Reclassification of agri portfolio from PSL causes strain:** Two variants of farmer loans amounting to Rs240bn which have been discontinued, were incorrectly classified as PSL. Hence cumulative PSLC cost of Rs9.48bn was incurred to provide for the shortfall, of which Rs4.74bn was recognised in Q2'26 & Rs2.37bn each will be provided over next 2 quarters. In relation to this portfolio, Bank was also directed by the RBI to make one-time standard provision of Rs12.3bn (5% cover). These accounts are performing but Rs12.3bn provision would need to be maintained until the balance is fully paid off.

Exhibit 1: PAT at Rs51bn dragged down due to higher provisions

Financial Statement (Rs m)	Q2FY26	Q2FY25	YoY gr. (%)	Q2FY26E	% Var.	Q1FY26	QoQ gr. (%)
Interest Income	3,09,702	3,04,199	1.8	3,13,126	(1.1)	3,10,635	(0.3)
Interest Expenses	1,72,257	1,69,367	1.7	1,76,779	(2.6)	1,75,038	(1.6)
Net interest income (NII)	1,37,446	1,34,832	1.9	1,36,347	0.8	1,35,598	1.4
Other Income	66,246	67,219	(1.4)	65,541	1.1	72,581	(8.7)
-Fee Income	60,370	55,080	9.6	60,620	(0.4)	57,460	5.1
-Other non interest income	5,876	12,139	(51.6)	4,921	19.4	15,121	(61.1)
Total income	2,03,691	2,02,051	0.8	2,01,888	0.9	2,08,178	(2.2)
Operating expenses	99,566	94,926	4.9	96,095	3.6	93,027	7.0
-Staff expenses	31,176	31,172	0.0	33,270	(6.3)	32,618	(4.4)
-Other expenses	68,390	63,754	7.3	62,825	8.9	60,409	13.2
Operating profit	1,04,125	1,07,125	(2.8)	1,05,793	(1.6)	1,15,152	(9.6)
Core operating profit	98,245	94,985	3.4	45,173	117.5	1,00,032	(1.8)
Total provisions	35,470	22,041	60.9	20,000	77.4	39,477	(10.1)
Profit before tax	68,655	85,084	(19.3)	85,793	(20.0)	75,675	(9.3)
Tax	17,759	15,908	11.6	21,448	(17.2)	17,614	0.8
Profit after tax	50,896	69,176	(26.4)	64,345	(20.9)	58,061	(12.3)
Balance sheet (Rs m)							
Deposits	1,20,34,869	1,08,67,440	10.7	1,20,87,845	(0.4)	1,16,16,146	3.6
Advances	1,11,67,030	99,99,792	11.7	1,09,99,939	1.5	1,05,97,244	5.4
Ratios (%)							
Profitability ratios							
NIM	3.6	4.0	(37)	3.6	1	3.7	(8)
RoaA	1.3	1.9	(67)	1.6	(35)	1.5	(23)
RoaE	11.4	18.3	(685)	14.4	(297)	13.5	(207)
Asset Quality							
Gross NPL	1,73,077	1,54,662	11.9	1,80,078	(3.9)	1,77,647	(2.6)
Net NPL	51,139	36,125	41.6	48,621	5.2	50,660	0.9
Gross NPL ratio	1.5	1.4	2	1.6	(10)	1.6	(11)
Net NPL ratio	0.4	0.4	9	0.4	1	0.5	(1)
Coverage ratio (Calc)	70.5	76.6	(619)	73.0	(255)	71.5	(103)
Business & Other Ratios							
Low-cost deposit mix	39.8	40.6	(78)	40.4	(61)	40.3	(50)
Cost-income ratio	48.9	47.0	190	47.6	128	44.7	419
Non int. inc / total income	32.5	33.3	(75)	32.5	6	34.9	(234)
Credit deposit ratio	92.8	92.0	77	91.0	179	91.2	156
CAR	16.6	16.6	(6)			16.9	(30)
Tier-I	14.4	14.5	(11)			14.7	(25)

Source: Company, PL

Exhibit 2: Loan growth driven by SME & corporate

Segmental Mix (Rs m)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)
Large & mid-corporate	34,97,000	29,07,900	20.3	31,58,920	10.7
SME Advances	13,15,000	11,04,740	19.0	12,08,720	8.8
Retail	63,55,000	59,87,150	6.1	62,29,610	2.0
- Housing Loans	24,79,620	23,48,750	5.6	24,47,160	1.3
- Personal loans	7,87,100	7,54,440	4.3	7,70,990	2.1
- Auto loans	5,74,870	5,87,080	(2.1)	5,77,600	(0.5)

Source: Company, PL

Q2FY26 Concall Highlights

Balance Sheet

- Credit risk draft circular is positive for the industry as well as for the bank however bank did not offer comments on the impact.
- Management anticipates ECL impact on shift of provisioning from outstanding to exposure and the impact is expected to be negligible basis proforma assessment made by management as on 30th June.
- Risk intensity of advances has gone up over last 4 quarters as bank has segmentally moved from a 51:49 to a 60:40 retail to wholesale+SME portfolio.

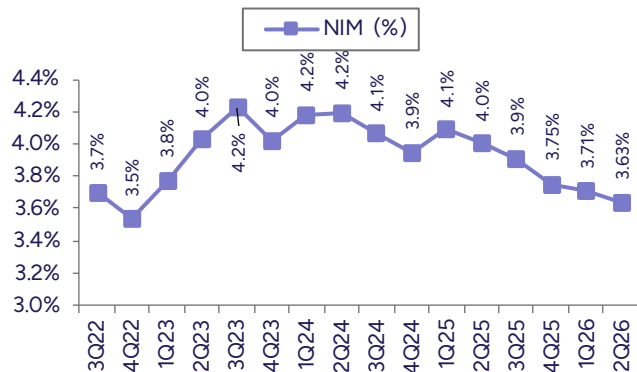
Profit & Loss

- NIMs have played out in the quarter due to a mix of efficient repricing of assets and liabilities. Assuming no further rate cuts, NIMs are expected to bottom out in Q3FY26 considering repricing tenure of 15-18 months. NIM guidance is maintained at 3.8%.
- Loans amounting to Rs240bn were reclassified from PSL; cumulative PSLC cost of Rs9.48bn was incurred to provide for the shortfall of which Rs4.74bn was provided in Q2'26 & Rs.2.37bn each will be provided over next 2 quarters.
- Letter of caution received by the bank a week ago relates to a matter which dates to 2010-11 and is not for the PSL classification issue.

Asset Quality

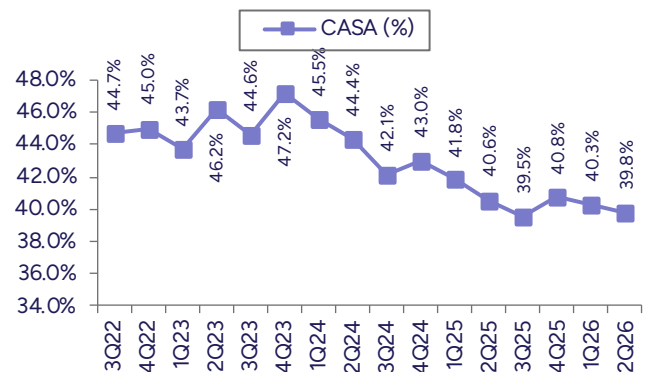
- Bank provided for one-time standard provision of Rs12.8bn in Q2FY26 (5% cover on total o/s). The bank had been offering two variants of farmer loans which were classified as PSL which were later discontinued. For the existing stock of loans, the bank has been asked to maintain standard asset provision by RBI without changing the customer terms.
- Bank reiterated that above provision is static and will not be topped up or trued down and there will be a write back to the P&L on closure of loans or 31st March 2028 whichever is earlier.
- Provisions (apart from std. asset prov.) was higher at ~Rs22bn due to i) security erosion on couple of accounts and ii) ageing provision.
- Bank seeing improvement in asset quality in unsecured specially MFI/PL.
- AXSB has seen a drop in PCR in H1FY26 from 74.6% in Q4'25 to 70.5% as last quarter included a technical impact of Rs27bn for which only 44% cover was provided since it was largely a secured pool.

Exhibit 3: NIMs fell to 3.63 post rate cut impact



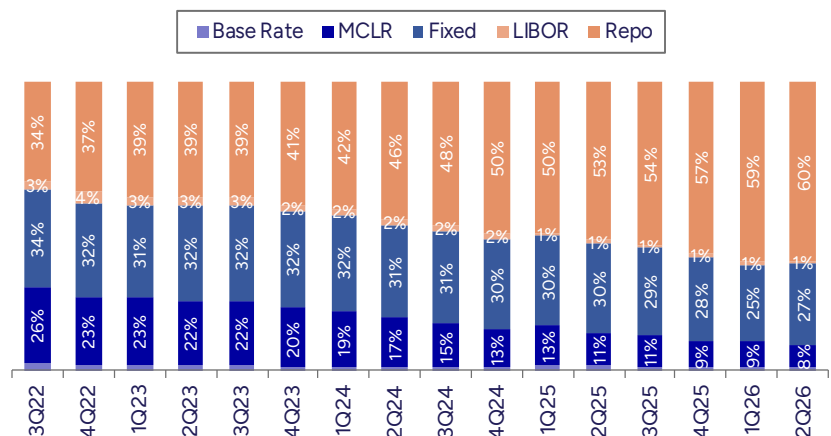
Source: Company, PL

Exhibit 4: CASA reduced to 39.8%



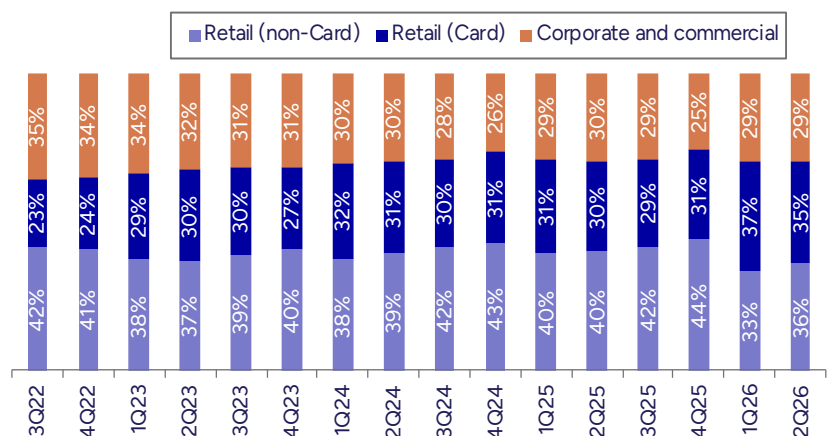
Source: Company, PL

Exhibit 5: Repo linked loans increase to 60%



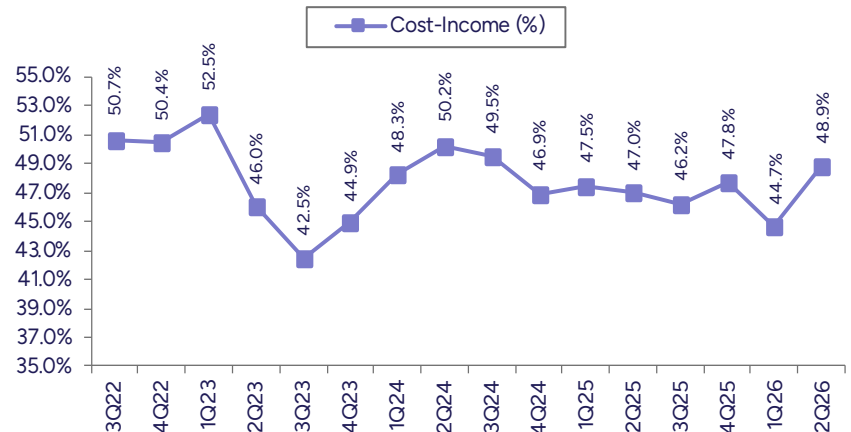
Source: Company, PL

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



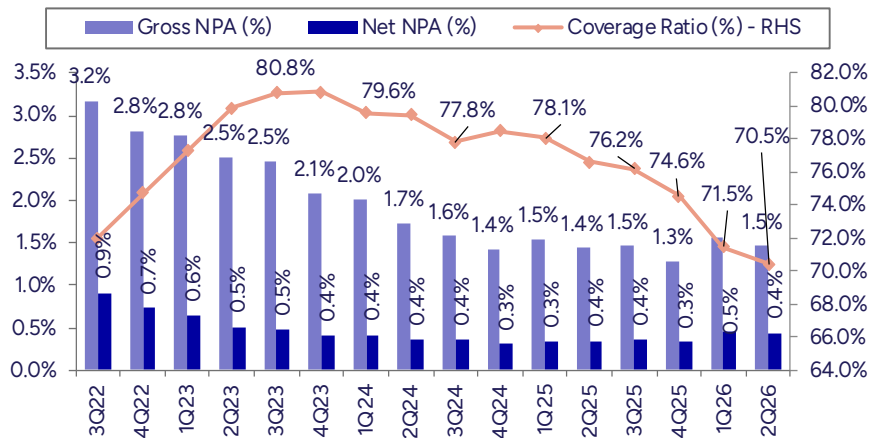
Source: Company Data, PL Research

Exhibit 7: C/I increased to 48.9% due to higher other opex



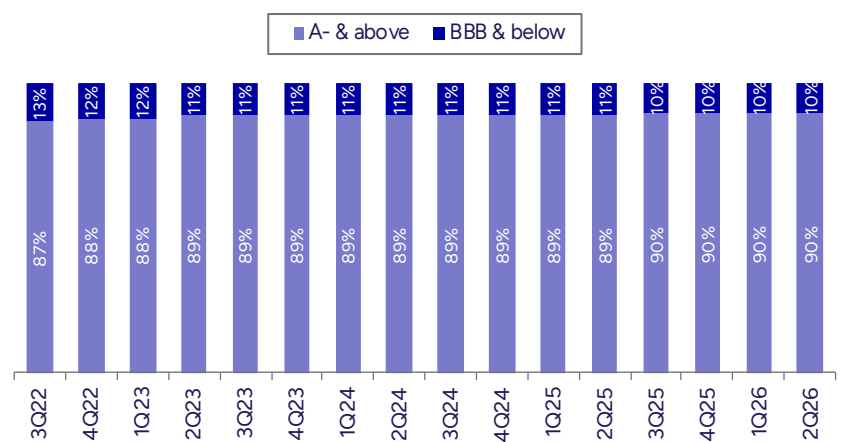
Source: Company, PL

Exhibit 8: Asset quality steady; PCR declined to 70.5%



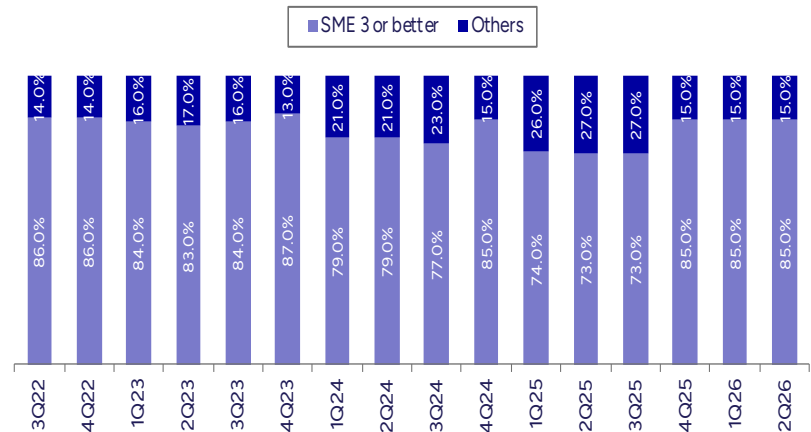
Source: Company, PL

Exhibit 9: Corporate book rating book mix steady at 90:10



Source: Company, PL

Exhibit 10: SME rating mix at 85:15



Source: Company, PL

Exhibit 11: Annualized slippages decreased to 2.2% , restructured book at 0.09%

Stressed Loans (Rs Mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Gross slippages	33830	38070	37710	39900	32540	37150	34710	47930	44430	54320	48050	82000	56960
Recoveries+ Up gradations	28260	20880	26990	23050	19850	25980	21550	15030	20690	19150	27900	21470	28870
Write-offs	17000	16517	24288	21310	26710	19810	20810	22060	31190	31330	33750	27780	32660
Annualized Slippages (%)	1.91	2.15	2.13	1.89	1.54	1.76	1.64	1.99	1.84	2.25	1.99	3.15	2.19
BB & Below book	49,390	44,510	34,780	36,450	34,340	28,840	29,780	31,690	34,340	29,210	25,480	24,560	21,820
NFB O/s to BB & Below exposures	22,610	18,940	13,710	13,850	13,260	14,820	14,530	14,130	13,020	13,520	10,560	10,500	8,090
Investments O/s in BB & Below rating	7,870	7,310	6,730	7,870	6,560	6,680	7,000	11,100	10,960	10,960	9,320	9,110	10,300
Total BB & below book	63,896	57,316	44,728	46,536	43,328	40,272	40,535	45,536	46,656	42,952	36,288	35,336	33,374
% of customer assets	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%	1.4%	1.4%	1.4%	1.5%	1.4%	1.4%	1.5%
Provisions held	15,974	13,444	10,492	11,634	10,832	10,068	10,775	11,384	11,664	10,738	9,072	8,834	6,836
Total Restructured Dispensation	29960	24820	20470	19070	17560	16410	15280	14090	13200	12670	12090	11480	10,710
% of loans	0.38%	0.30%	0.22%	0.21%	0.19%	0.16%	0.16%	0.13%	0.12%	0.12%	0.11%	0.10%	0.09%

Source: Company, PL

Exhibit 12: Return ratios to remain close to 14% over FY26E/27E

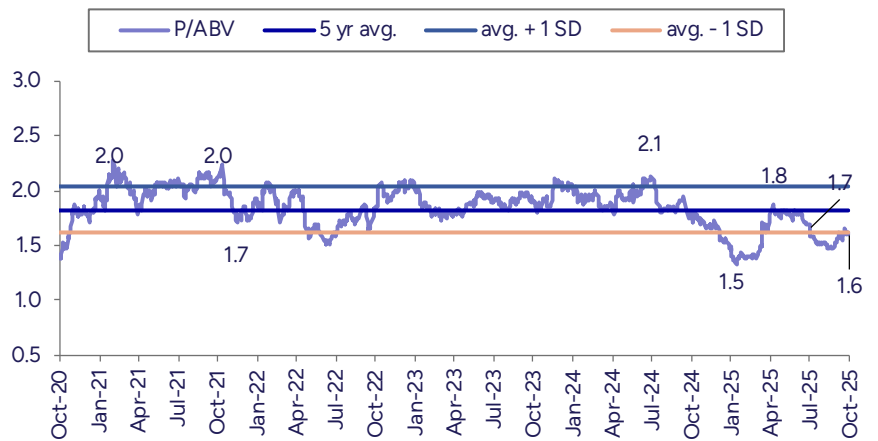
RoA decomposition	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net interest income	3.1	3.4	3.6	3.5	3.3	3.4	3.4
Other Inc. from operations	1.4	1.3	1.6	1.6	1.7	1.6	1.5
Total income	4.5	4.7	5.2	5.2	4.9	4.9	4.9
Employee expenses	0.7	0.7	0.8	0.8	0.8	0.8	0.9
Other operating expenses	1.5	1.5	1.7	1.6	1.6	1.4	1.3
Operating profit	2.3	2.6	2.7	2.7	2.6	2.7	2.7
Tax	0.4	0.6	0.6	0.5	0.5	0.6	0.6
Loan loss provisions	0.7	0.2	0.3	0.5	0.7	0.5	0.5
RoAA	1.2	1.8	1.8	1.7	1.46	1.66	1.69
RoAE	12.0	18.2	18.0	15.9	12.9	14.4	14.3

Source: Company, PL

Exhibit 13: SOTP-based TP of Rs1,425 basis Sept'27E core ABV of bank

Particulars	Stake	Rs per share	% of total	Valuation (x)	Basis
Standalone bank	100%	1,283	89.1	1.7	x Sept'27 core ABV
Axis Finance	100%	58	4.0	3.5	of Mar'25 ABV
Axis AMC	75%	36	2.5	30.0	of Mar'25 PAT
Max Life	19%	34	2.4	1.0	Market Cap
Axis Securities	100%	20	1.4	15.0	of Mar'25 PAT
Axis Capital	100%	8	0.5	15.0	of Mar'25 PAT
Total		1,440	100		
Holdco discount		16			
SOTP based TP		1,425			

Exhibit 14: One-year forward P/ABV trades at 1.6x



Source: Company, PL

Income Statement (Rs. m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Int. Earned from Adv.	9,72,003	9,84,476	10,65,453	11,87,650
Int. Earned from invt.	2,29,283	2,43,543	2,55,818	2,83,273
Others	13,122	9,665	11,266	12,680
Total Interest Income	12,26,770	12,50,610	13,44,193	14,95,958
Interest Expenses	6,83,292	6,93,133	7,02,426	7,66,271
Net Interest Income	5,43,478	5,57,477	6,41,767	7,29,687
Growth(%)	8.9	2.6	15.1	13.7
Non Interest Income	2,52,571	2,81,179	2,97,242	3,24,888
Net Total Income	7,96,049	8,38,656	9,39,009	10,54,574
Growth(%)	12.2	3.5	7.2	10.9
Employee Expenses	1,21,928	1,33,410	1,61,380	2,02,464
Other Expenses	2,36,080	2,64,183	2,67,242	2,71,315
Operating Expenses	3,74,999	3,97,593	4,28,622	4,73,780
Operating Profit	4,21,049	4,41,062	5,10,387	5,80,795
Growth(%)	13.4	4.8	15.7	13.8
NPA Provision	77,693	93,964	69,815	77,092
Total Provisions	77,584	1,11,868	88,076	97,405
PBT	3,43,466	3,29,194	4,22,311	4,83,390
Tax Provision	79,731	81,588	1,05,578	1,20,847
Effective tax rate (%)	23.2	24.8	25.0	25.0
PAT	2,63,735	2,47,606	3,16,733	3,62,542
Growth(%)	6.1	(6.1)	27.9	14.5

Balance Sheet (Rs. m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Face value	2	2	2	2
No. of equity shares	3,097	3,103	3,103	3,103
Equity	6,195	6,206	6,206	6,206
Networth	17,97,251	20,48,448	23,61,064	27,19,488
Growth(%)	19.0	14.0	15.3	15.2
Adj. Networth to NNPA's	36,855	53,750	56,517	67,891
Deposits	1,17,29,520	1,30,15,149	1,47,82,194	1,67,89,648
Growth(%)	9.8	11.0	13.6	13.6
CASA Deposits	47,81,880	52,13,685	58,28,599	65,19,134
% of total deposits	40.8	40.1	39.4	38.8
Total Liabilities	1,60,99,299	1,79,14,354	2,01,81,368	2,27,38,402
Net Advances	1,04,08,113	1,19,73,937	1,35,25,707	1,52,78,580
Growth(%)	7.8	15.0	13.0	13.0
Investments	39,61,418	41,64,848	46,56,391	52,04,791
Total Assets	1,60,99,299	1,79,14,354	2,01,81,368	2,27,38,402
Growth (%)	9.0	11.3	12.7	12.7

Asset Quality

Y/e Mar	FY25	FY26E	FY27E	FY28E
Gross NPAs (Rs m)	1,44,901	1,79,166	2,09,322	2,51,446
Net NPAs (Rs m)	36,855	53,750	56,517	67,891
Gr. NPAs to Gross Adv.(%)	1.3	1.5	1.5	1.6
Net NPAs to Net Adv. (%)	0.3	0.4	0.4	0.4
NPA Coverage %	74.6	70.0	73.0	73.0

Profitability (%)

Y/e Mar	FY25	FY26E	FY27E	FY28E
NIM	3.7	3.4	3.6	3.6
RoAA	1.7	1.5	1.7	1.7
RoAE	15.9	12.9	14.4	14.3
Tier I	15.1	15.1	15.2	15.4
CRAR	17.1	17.2	17.2	17.1

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Interest Income	3,09,539	3,12,425	3,10,635	3,09,702
Interest Expenses	1,73,481	1,74,320	1,75,038	1,72,257
Net Interest Income	1,36,059	1,38,105	1,35,598	1,37,446
YoY growth (%)	8.6	5.5	0.8	1.9
CEB	54,550	63,380	57,460	60,370
Treasury	-	-	-	-
Non Interest Income	59,722	67,795	72,581	66,246
Total Income	3,69,261	3,80,220	3,83,216	3,75,948
Employee Expenses	29,846	29,615	32,618	31,176
Other expenses	60,596	68,762	60,409	68,390
Operating Expenses	90,442	98,377	93,027	99,566
Operating Profit	1,05,339	1,07,524	1,15,152	1,04,125
YoY growth (%)	15.2	2.1	13.9	(2.8)
Core Operating Profits	1,01,659	1,05,794	1,00,952	99,145
NPA Provision	21,850	13,690	39,000	21,330
Others Provisions	21,556	13,594	39,477	35,470
Total Provisions	21,556	13,594	39,477	35,470
Profit Before Tax	83,782	93,930	75,675	68,655
Tax	20,745	22,755	17,614	17,759
PAT	63,038	71,175	58,061	50,896
YoY growth (%)	3.8	(0.2)	(3.8)	(26.4)
Deposits	1,09,58,828	1,17,29,520	1,16,16,146	1,20,34,869
YoY growth (%)	9.1	9.8	9.3	10.7
Advances	1,01,45,641	1,04,08,113	1,05,97,244	1,11,67,030
YoY growth (%)	8.8	7.8	8.1	11.7

Key Ratios

Y/e Mar	FY25	FY26E	FY27E	FY28E
CMP (Rs)	1,170	1,170	1,170	1,170
EPS (Rs)	85.1	79.8	102.1	116.8
Book Value (Rs)	580	660	761	876
Adj. BV (Rs)	568	643	742	854
P/E (x)	13.7	14.7	11.5	10.0
P/BV (x)	2.0	1.8	1.5	1.3
P/ABV (x)	2.1	1.8	1.6	1.4
DPS (Rs)	1.0	1.0	1.3	1.5
Dividend Payout Ratio (%)	1.2	1.3	1.3	1.3
Dividend Yield (%)	0.1	0.1	0.1	0.1

Efficiency

Y/e Mar	FY25	FY26E	FY27E	FY28E
Cost-Income Ratio (%)	47.1	47.4	45.6	44.9
C-D Ratio (%)	88.7	92.0	91.5	91.0
Business per Emp. (Rs m)	212	227	246	267
Profit per Emp. (Rs lacs)	25	23	28	30
Business per Branch (Rs m)	3,900	4,198	4,564	4,970
Profit per Branch (Rs m)	46	42	51	56

Du-Pont

Y/e Mar	FY25	FY26E	FY27E	FY28E
NII	3.52	3.28	3.37	3.40
Total Income	5.16	4.93	4.93	4.91
Operating Expenses	2.43	2.34	2.25	2.21
PPoP	2.73	2.59	2.68	2.71
Total provisions	0.50	0.66	0.46	0.45
RoAA	1.71	1.46	1.66	1.69
RoAE	15.95	12.88	14.37	14.27

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Oct-25	BUY	1,375	1,187
2	18-Jul-25	BUY	1,375	1,161
3	07-Jul-25	BUY	1,500	1,175
4	23-Jun-25	BUY	1,500	1,221
5	25-Apr-25	BUY	1,500	1,207
6	08-Apr-25	BUY	1,350	1,048
7	17-Jan-25	BUY	1,350	1,038
8	08-Jan-25	BUY	1,530	1,068
9	18-Oct-24	BUY	1,530	1,132

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Accumulate	1,925	1,672
2	Axis Bank	BUY	1,375	1,187
3	Bank of Baroda	BUY	270	262
4	Can Fin Homes	BUY	875	805
5	City Union Bank	BUY	245	219
6	DCB Bank	BUY	155	132
7	Federal Bank	BUY	220	199
8	HDFC Asset Management Company	BUY	6,000	5,559
9	HDFC Bank	BUY	1,075	983
10	ICICI Bank	BUY	1,730	1,376
11	IndusInd Bank	Hold	780	749
12	Kotak Mahindra Bank	BUY	2,350	2,127
13	LIC Housing Finance	BUY	725	567
14	Nippon Life India Asset Management	BUY	900	875
15	State Bank of India	BUY	960	865
16	Union Bank of India	BUY	150	139
17	UTI Asset Management Company	BUY	1,400	1,332

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

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Gaurav Jani- CA, Passed CFA Level II, Ms. Harshada Gite- CA, Mr. Kush Mehta- CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Gaurav Jani- CA, Passed CFA Level II, Ms. Harshada Gite- CA, Mr. Kush Mehta- CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com