BUY (Maintain)

CMP: INR 1,225 Target Price: INR 1,435 (INR 1,450) ▲ 17%

ICICI Securities

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19 December 2025

India | Equity Research | Company Update

Axis Bank

Banking

CXO 1X1: Amitabh Chaudhry, MD&CEO

We sense a strategic shift in Axis Bank (Axis)'s playbook, basis our meeting with Mr Amitabh Chaudhry (MD&CEO), Mr Subrat Mohanty (ED), Mr Puneet Sharma (CFO) and Mr Rahul Jain (Head-IR). Axis is seemingly leaning towards prioritising loan growth (possibly over NIM vs earlier stance of NIM over growth). Beyond the recent 25bps repo rate cut, its rising focus on loan growth – starting with wholesale – is likely to delay NIM recovery, without materially altering NII growth (we trim FY26E NII by ~1%). We raise FY26E gross slippages, factoring in likely higher technical slippages (a bit disappointing), though hope that the impact on credit cost is lesser. Valuations at ~1.5x FY27E ABV (vs. possible RoA of ~1.6% and above systemic growth) should cushion the downside. That said, an upswing could be swift, if there is reasonable improvement in core slippages, cushioned NIM outcomes and broad-based loan growth. Maintain **BUY** with the TP trimmed to 1,435.

Changing gears on loan growth; we lift FY26E growth to ~15%

We believe Axis has shifted its gears on loan growth. The bank had reported lower than systemic growth for the last few quarters, but Q2FY26 saw growth reviving to ~12% YoY. Axis sees healthy legs to wholesale growth, while disbursements in chosen retail are rising. We raise FY26E loan growth to ~15% YoY vs. ~12% earlier.

NIM recovery delayed but NII growth seems bottomed out

Axis mentioned that NIM would now bottom out in Q4FY26/Q1FY27 (vs. Q3FY26 earlier). Apart from the recent 25 repo cut and agri slippages, we believe the focus on loan growth (especially wholesale) is driving delayed NIM recovery. We lower our NIM estimates but better loan growth has cushioned FY26E NII cut to ~1%. NII growth seems to have bottomed out and should see calibrated rise ahead.

Core slippages improving, though reported could rise QoQ/YoY

Axis mentioned that core slippages are showing improving trends. Q3 would have adverse agri seasonality, impacting technical slippages as well. We raise FY26E slippages (a bit disappointing), though are hopeful of a limited rise in credit costs.

Risk-reward strong with RoA/growth uptick and ~1.5x FY27E ABV

Axis' stock is trading similar or lower than a few smaller peers due to slower business growth, higher credit costs and volatile execution. Growth seems to be getting addressed; although it may have collateral damage on NIM. Apart from agri seasonality, Axis is confident of steady delivery, devoid of any one-offs. The bank should see sharp rise in RoA/RoE in FY27. **Risk:** Higher-than-expected stress.

Financial Summary

Y/E March	FY24A	FY25A	FY26E	FY27E
NII (INR bn)	498.9	543.5	557.7	659.0
Op. profit (INR bn)	371.2	421.0	446.6	525.2
Net Profit (INR bn)	248.6	263.7	238.3	310.1
EPS (INR)	80.7	85.3	76.9	100.1
EPS % change YoY	13.0	5.7	(9.8)	30.1
ABV (INR)	481.5	571.3	644.8	741.6
P/BV (x)	2.5	2.1	1.9	1.6
P/ABV (x)	2.3	1.9	1.7	1.5
Return on Assets (%)	1.8	1.7	1.4	1.6
Return on Equity (%)	18.0	15.9	12.5	14.2

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Market Data

Market Cap (INR)	3,802bn
Market Cap (USD)	42,052mn
Bloomberg Code	AXSB IN
Reuters Code	AXBK.BO
52-week Range (INR)	1,304 /934
Free Float (%)	92.0
ADTV-3M (mn) (USD)	91.7

Price Performance (%)	3m	6m	12m
Absolute	8.8	0.8	7.8
Relative to Sensex	6.5	(2.9)	3.0

ESG Score	2024	2025	Change
ESG score	**80.3**	**81.7**	**1.4**
Environment	79.7	82.7	3.0
Social	67.5	74.3	1.4
Governance	90.0	86.5	(3.5)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E
EPS	(3)	(2)

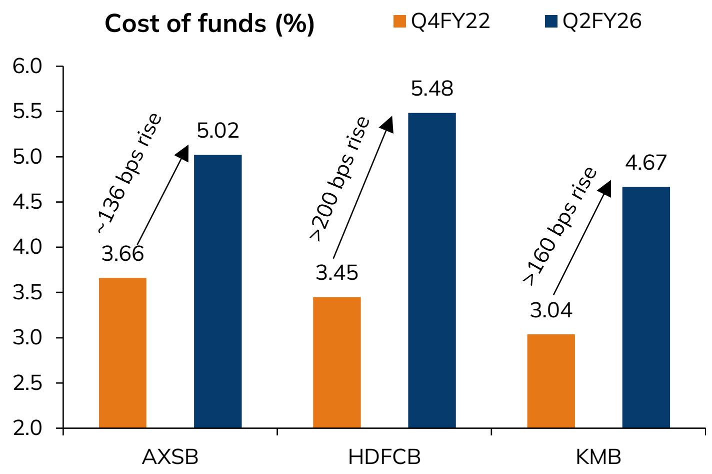
Previous Reports

16-10-2025: Q2FY26 results review

22-11-2025: Banking Q2FY26 review

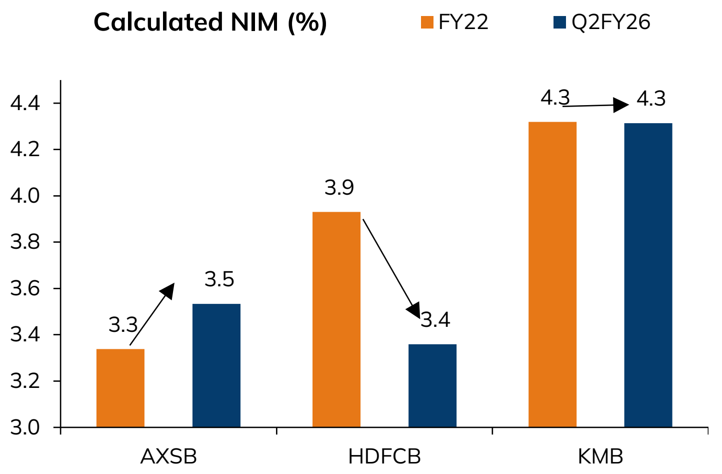
Story in Charts

Exhibit 1: In the current rate cycle, Axis has focused (and executed well) on CoF



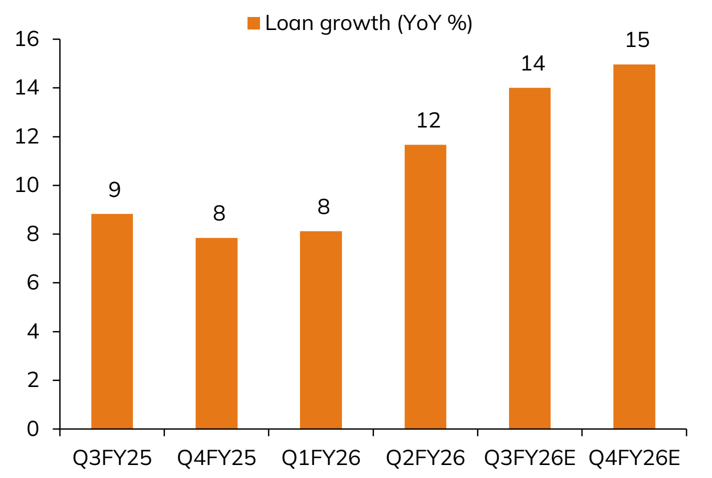
Source: I-Sec research, Company data. Note: The data may not be comparable for HDFCB due to merger

Exhibit 2: … and NIM protection though seems to have sacrificed a bit on loan / deposit growth



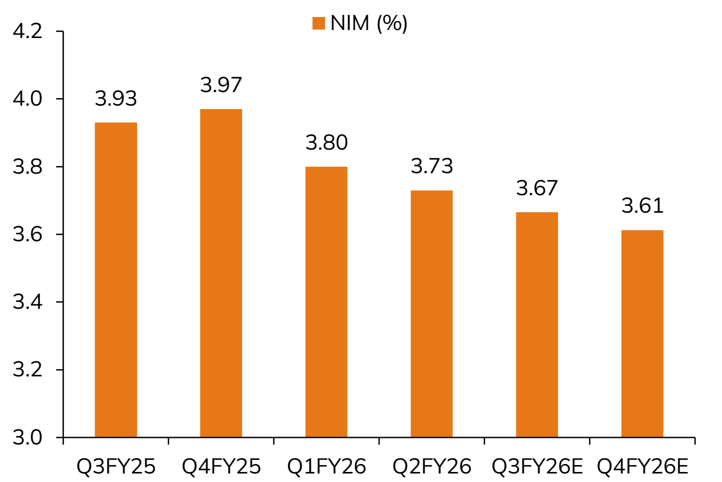
Source: I-Sec research, Company data. Note: The data may not be comparable for HDFCB due to merger

Exhibit 3: However, we sense possible change of strategy on loan growth, starting with wholesale …



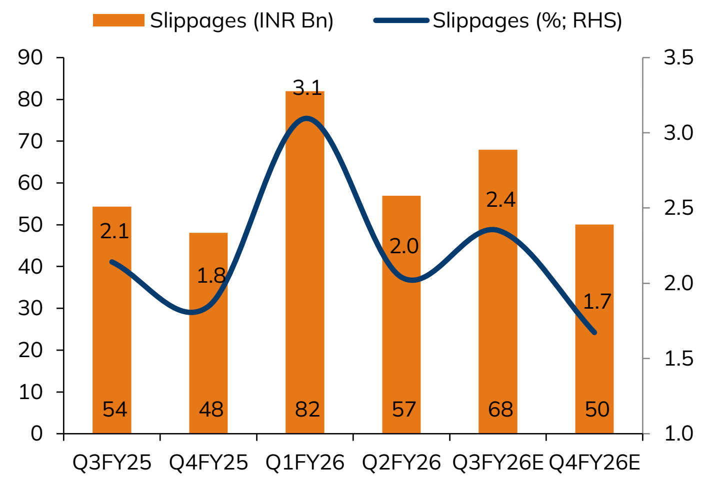
Source: I-Sec research, Company data

Exhibit 4: … which could delay NIM recovery. We cut FY26 NII estimates by ~1% but see NII growth has bottomed



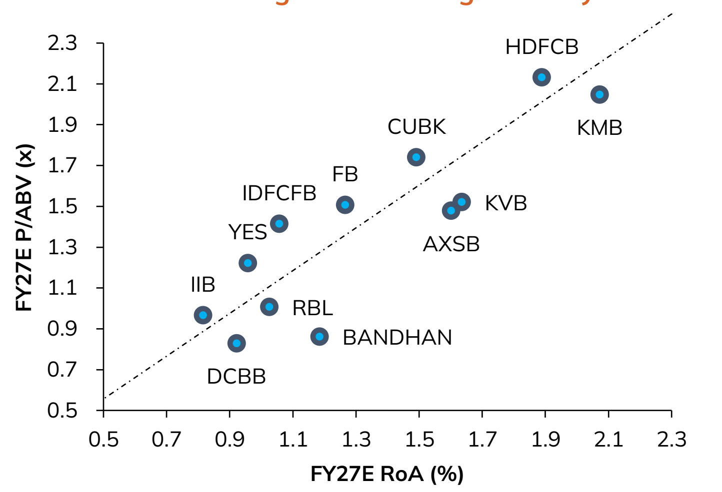
Source: I-Sec research, Company data

Exhibit 5: Likely rise in Q3FY26 gross slippages on both YoY/QoQ basis is bit disappointing and concerning



Source: I-Sec research, Company data

Exhibit 6: Risk-reward stands attractive with FY27 P/ABV lower than RoA with growth reviving above system



Source: I-Sec research, Company data

Likely shift in gears on loan growth

Axis delivered ~19% YoY loan growth in FY23, partly aided by the Citi acquisition. Credit growth moderated but remained healthy at ~14% in FY24. Loan growth slipped below systemic levels to single digits in FY25, burdened by elevated LDR, tight deposits mobilisation, and possibly the prioritising of profitable growth.

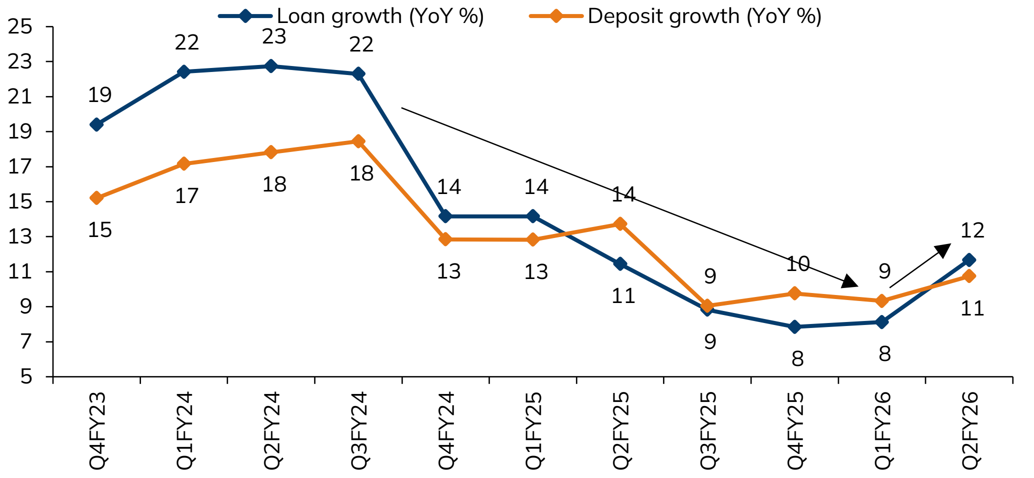
However, in Q2FY26, growth seems to have shifted gears. Overall, growth surged from single digits (below systemic average) to marginally above systemic average to ~12% YoY. There is a visible shift in corporate growth (up 10–11% QoQ and ~20% YoY) with continued strong growth in SME (well diversified), though retail remained lacklustre. Housing loan growth turned negative, while growth in unsecured retail remained soft.

We raise FY26 loan growth estimate to ~15% YoY vs. 12% earlier

Axis now believes that corporate growth is not a one-off phenomenon and there are further legs to it. The bank has seen reasonable pick-up in consumption demand, post the GST cut and tax incentives. There has been a reasonably healthy pick-up in retail disbursements as well. Axis reiterated its medium-term aspiration of outpacing industry credit growth by 300bps. It mentioned that prime housing loan pricing is still a bit restrictive; although, it senses better opportunities in the affordable housing space. It also hinted that it does not want to move too far from others in most of the large product categories, suggesting some revival in home loans once pricing settles.

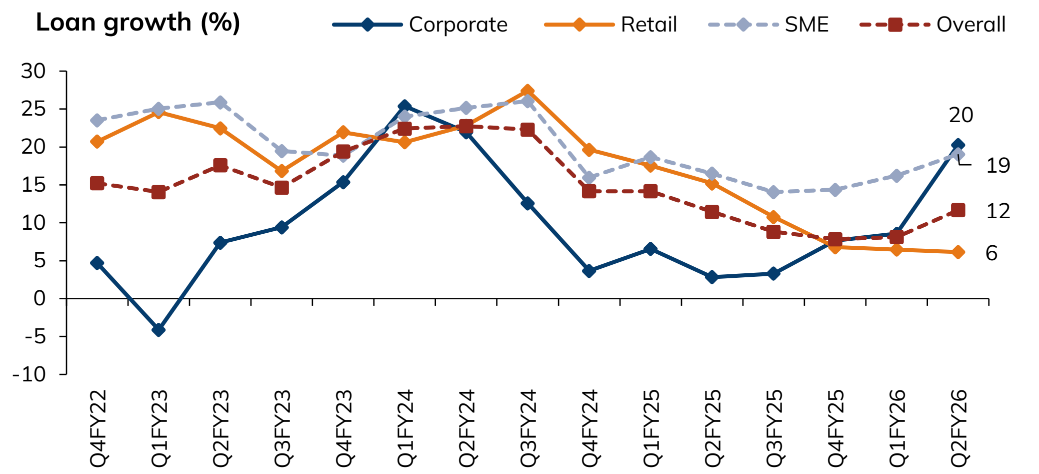
Overall, we see a clear shift in gears in Axis' growth trajectory; although, primarily led by wholesale (corporate and SME) in the near term. Growth could be supported by retail (mix of both secured and unsecured) in the later phase, though that would test the execution prowess, in our view. We believe the bank could now potentially deliver loan growth that is above systemic levels on both QoQ as well as YoY levels (though would have NIM implications). We raise our FY26 growth estimates from ~12% YoY to ~15% YoY, factoring in ~3.5% QoQ growth for the next two quarters. We broadly maintain FY27E loan growth at ~13% YoY as yet.

Exhibit 7: Axis has seen sharp moderation in deposits and credit growth over the last few quarters; though, Q2FY26 suggests that the bank has pivoted



Source: I-Sec research, Company data

Exhibit 8: Axis has shifted its gears on loan growth, starting with wholesale



Source: I-Sec research, Company data

NIM to bottom out in Q4FY26/ Q1FY27 vs Q3 earlier; delay in NIM recovery, due to continued trade-off vs growth

Axis mentioned that NIM would likely bottom out in Q4FY26 or early Q1FY27 vs. its earlier guidance of Q3FY26. The shape of NIM's trajectory would be a shallow 'inverted C'. Axis retained its 'through the cycle' NIM guidance of 3.8%. We note that NIM for Axis was 3.4–3.5% before the rate cycle; thus, it aims to have structurally higher NIM.

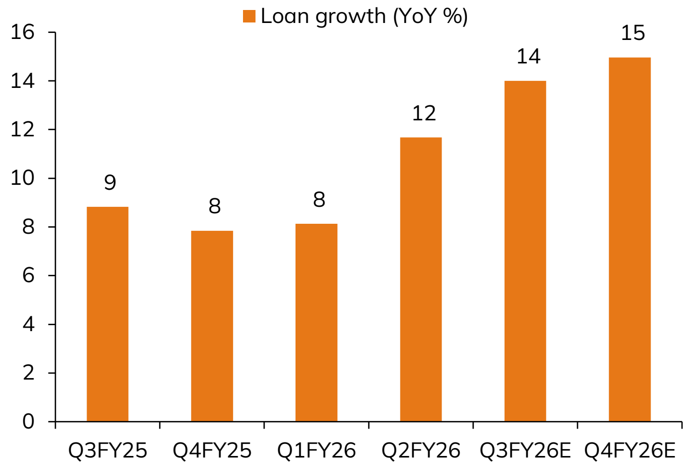
We believe the delay in NIM recovery should be seen in the context of: 1) the recent 25bps rate cut, which is uniform to all banks; and 2) Axis prioritising loan growth, which possibly could be driven by wholesale in the near term. We also note that ~5bps NIM impact in Q3 could be purely due to higher agri slippages, while core NIM could see single-digit decline.

Given the bank's loan repricing policy, almost the entire impact of the recent 25bps repo rate cut would not impact Q3FY26 yields but would spill over to Q4FY26. The pace of MCLR re-pricing could gather pace in Q4FY26. The CRR release benefit could be broadly offset by a likely rise in liquidity build-up in the run up to tighter LCR norms effective Apr'26. However, Axis should continue to see the moderation in cost of funding; though, which could be minorly tempered due to its higher focus on growth.

We raise growth but trim NIM; FY26 NII growth cut by ~1%

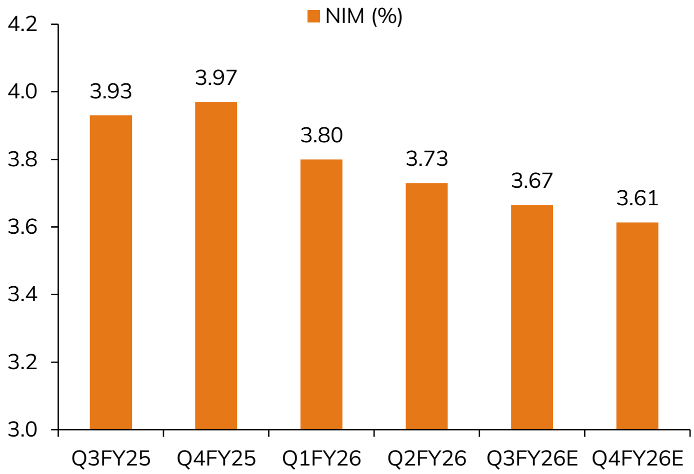
We sense a likely shift of gears in growth trajectory with reasonable support from wholesale side (same seen in Q2FY26 as well). This would have NIM implication as trade-off between loan growth and NIM still holds. As mentioned above, we raise our growth estimates from ~12% YoY in FY26 to ~15% YoY. We trim our NIM estimates and now see NIM moderating ~12bps by Q4FY26 vs Q2FY26. Our FY26 NII estimates cut is, however, limited to ~1% for FY26. Despite slight moderation in NIM, we believe NII growth YoY has already moderated and is likely to inch up ahead.

Exhibit 9: We see loan growth rising to ~15% by FY26E (vs. ~12% earlier) …



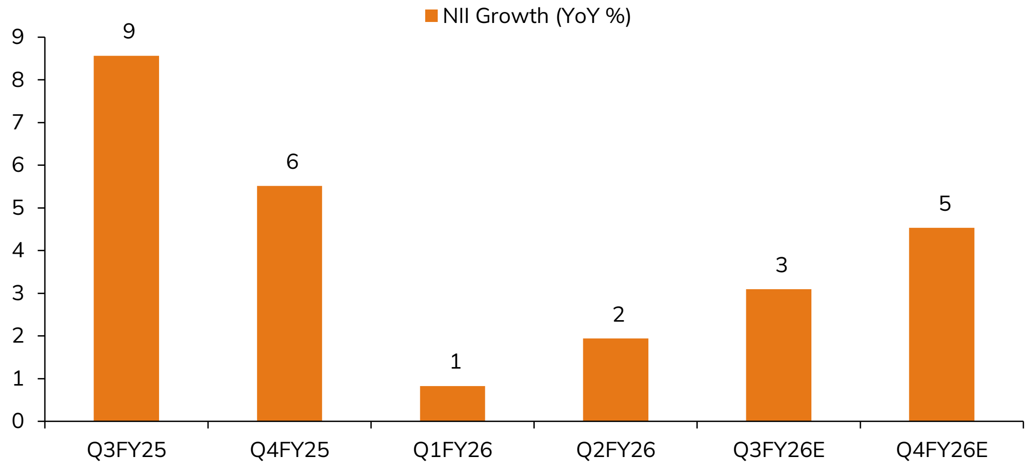
Source: I-Sec research, Company data

Exhibit 10: … however, NIM recovery would be delayed



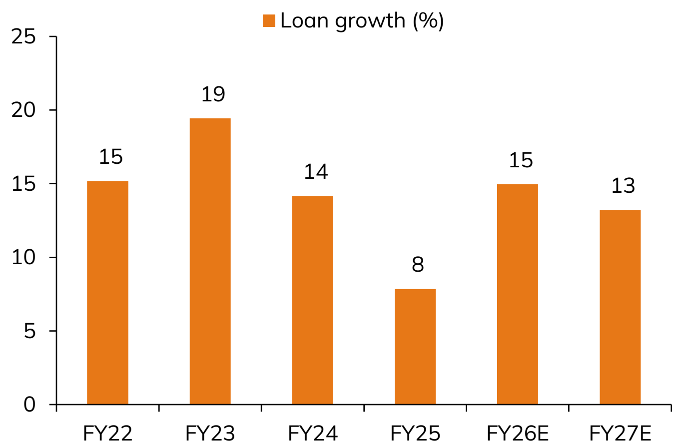
Source: I-Sec research, Company data

Exhibit 11: Higher loan growth would partly offset NIM pressure; NII growth likely bottomed out already



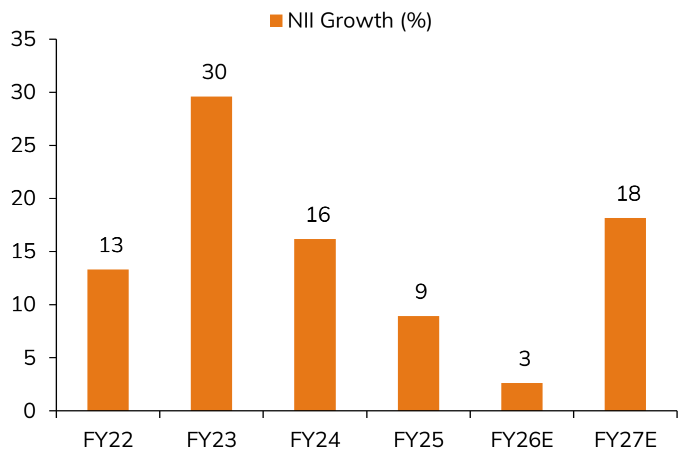
Source: Company data, I-Sec research

Exhibit 12: We raise our growth estimates for FY26…



Source: I-Sec research, Company data

Exhibit 13: … and see strong NII growth for FY27; NII estimates trimmed by ~1% for FY26/27



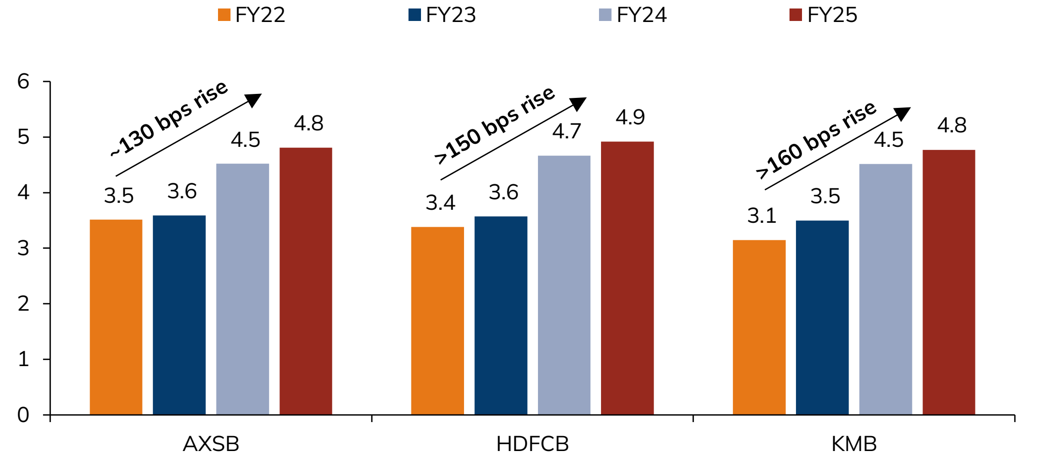
Source: I-Sec research, Company data

Deposits strategy – have scored relatively better on cost and quality;

Axis' deposits strategy has been pillared on quantity, costs and quality. The bank has been delivering deposits growth, which is similar to systemic growth but slower vs. large peers. However, it has scored relatively better vs. peers on containing cost of funds. Since the beginning of the current rate cycle (Feb'22 or Q4FY22) till FY25, Axis' cost of deposits has increased by ~130bps vs. ~150–160bps for its two large peers under coverage (HDFCB and Kotak). Similarly, calculated cost of funds, since the beginning of the rate cycle till Q2FY26, for Axis has been the least at ~135bps vs. ~160–200bps for HDFCB and KMB.

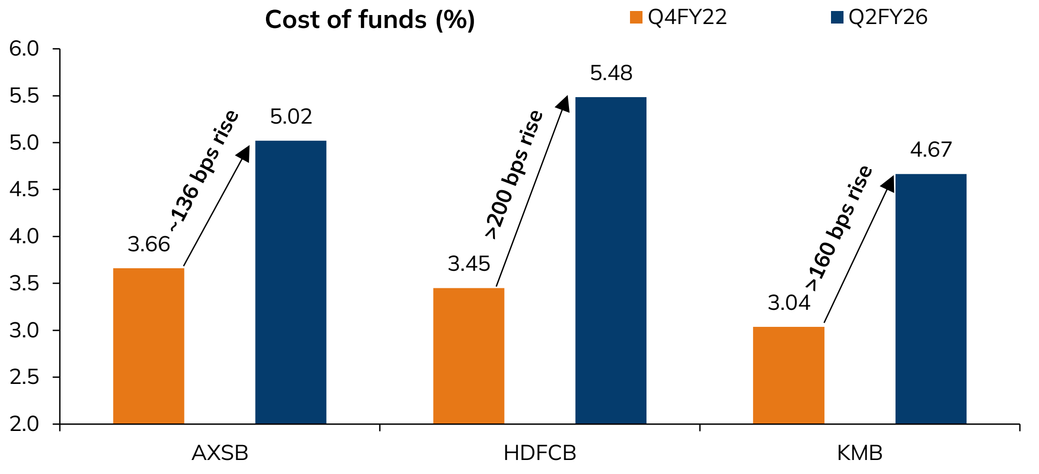
The bank has also delivered reasonably good performance on the quality of the deposits. It has seen the least erosion on the CASA front. CASA share declined by ~500bps for Axis (from Q4FY22 to Q2FY26) vs. a sizeable ~1,400bps/1,800bps for others. The bank also has significantly improved its quality of deposits as exhibited by LCR run-offs, though it has seen a marginal deterioration in the last few quarters. Nonetheless, in the current rate cycle, Axis' LCR run-offs have improved the highest, by ~160bps, as against a marginal deterioration at peers by ~200–300bps. Calculated LCR run-offs improved from ~29% as of Q4FY22 to ~23% in Q2FY24, though have reverted to ~27.2%, as of Q2FY26. Calculated retail funding share has also increased by ~500bps vs. stable or deterioration at others.

Exhibit 14: In the current rate cycle, Axis has seen the lowest rise in cost of deposits vs. peers (underscoring its stance of profitability over growth)



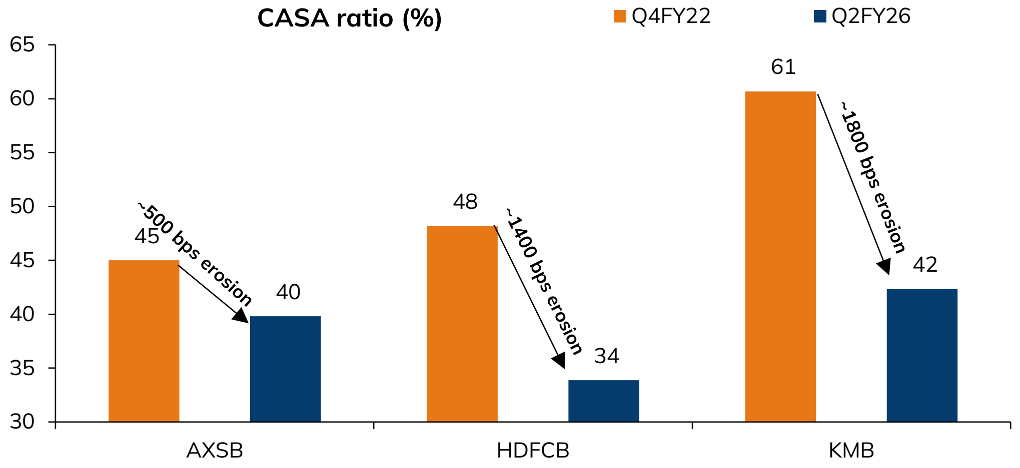
Source: I-Sec research, Company data. Note: The data may not be comparable for HDFCB due to merger

Exhibit 15: Similarly, in the current rate cycle, Axis has seen minimum rise in CoF



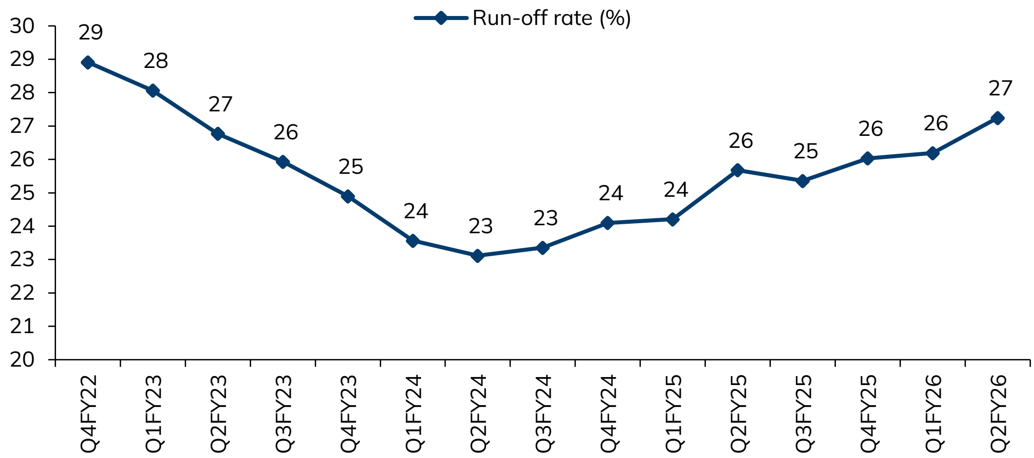
Source: Company data, I-Sec research. Note: The data may not be comparable for HDFCB due to merger

Exhibit 16: Axis has also scored reasonably well on CASA share protection



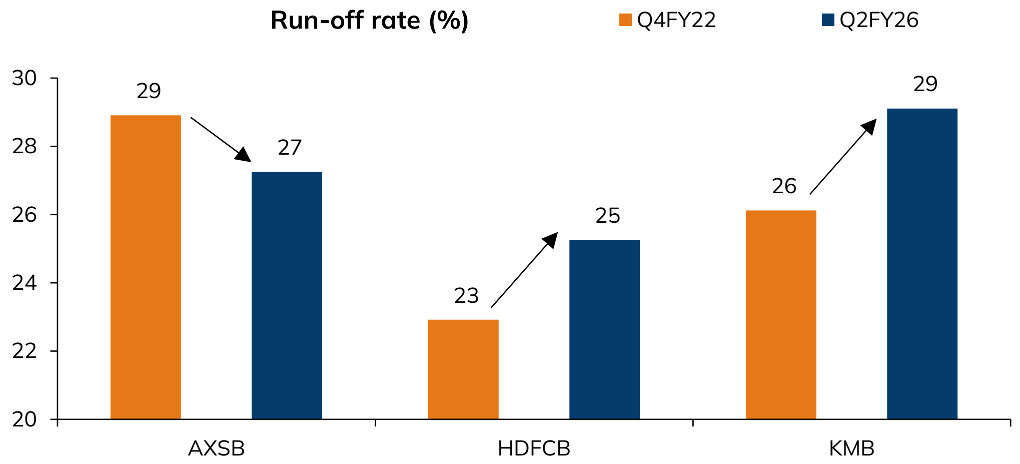
Source: I-Sec research, Company data. Note: The data may not be comparable for HDFCB due to merger

Exhibit 17: Axis has seen strong improvement in LCR run-off; though, has seen an uptick in the recent quarters



Source: I-Sec research, Company data

Exhibit 18: Axis has actually seen improvement in run-off rates vs. peers

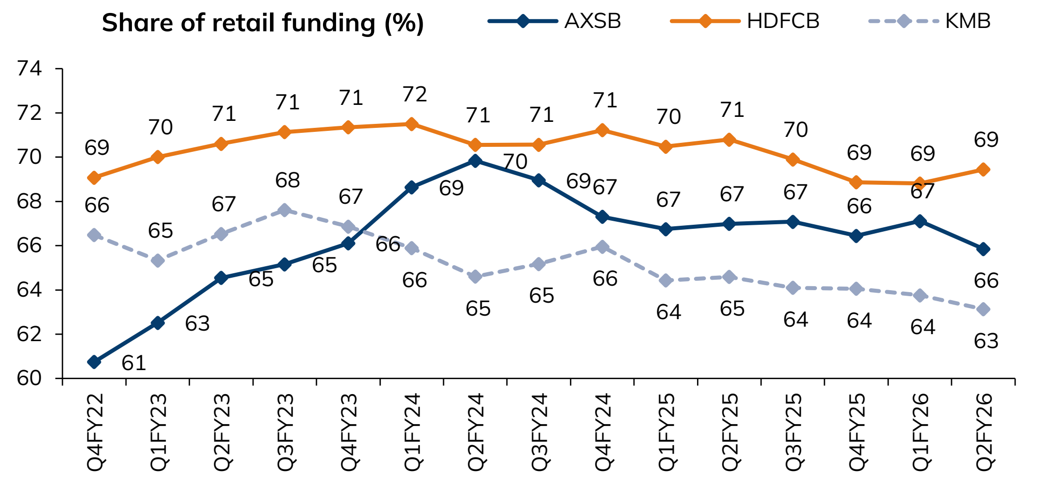


Source: I-Sec research, Company data

...may look to prioritise more on growth going ahead

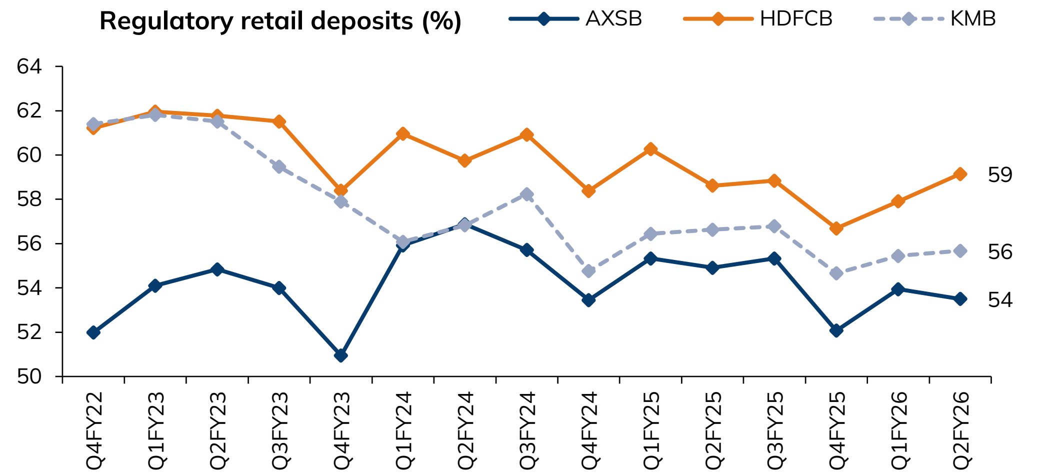
Deposits mobilisation has been a challenge for the entire banking sector and the same holds true for Axis as well. The bank has launched several initiatives such as micro market strategy, premiumisation, exclusive product proposition and digital partnership to drive deposits growth. It has also plugged a few inefficiencies. LDR has been broadly in a tight range of 89–93%, and Axis sounded confident of sustaining the current range. With a likely acceleration in loan growth ahead, we believe the bank could look to prioritise growth followed by cost aspects while hoping for revival in retail/granular deposits aiding LCR run-offs.

Exhibit 19: Axis has improved its share of retail in overall funding



Source: I-Sec research, Company data. Note: The data may not be comparable for HDFCB due to merger

Exhibit 20: Regulatory retail share is relatively lower at Axis



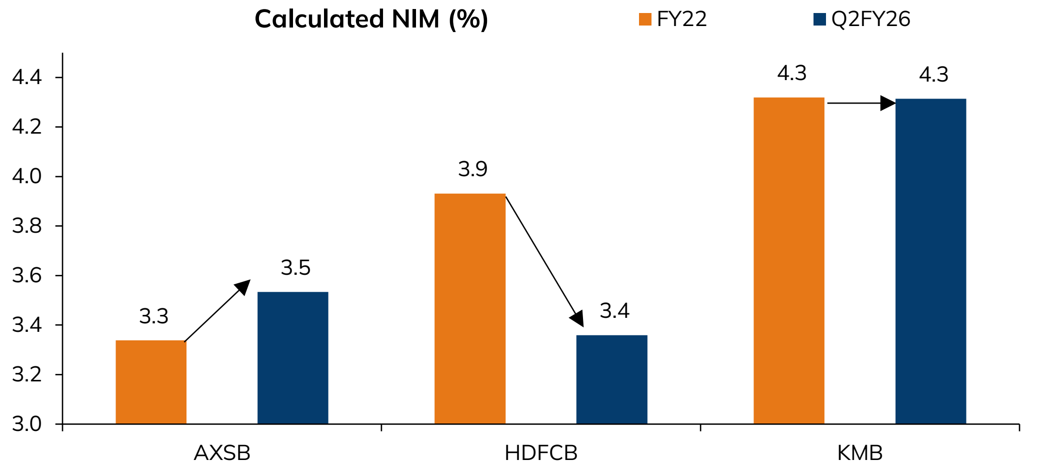
Source: I-Sec research, Company data. Note: The data may not be comparable for HDFCB due to merger

Axis' NIM protection better than peers in current cycle

In the current interest rate cycle, Axis seems to have prioritised NIM over growth. The bank had relatively higher LDR; thus, credit rationing at Axis seems sharper vs. peers. Positively, the NIM outcomes in the current cycle are distinctively better vs. others.

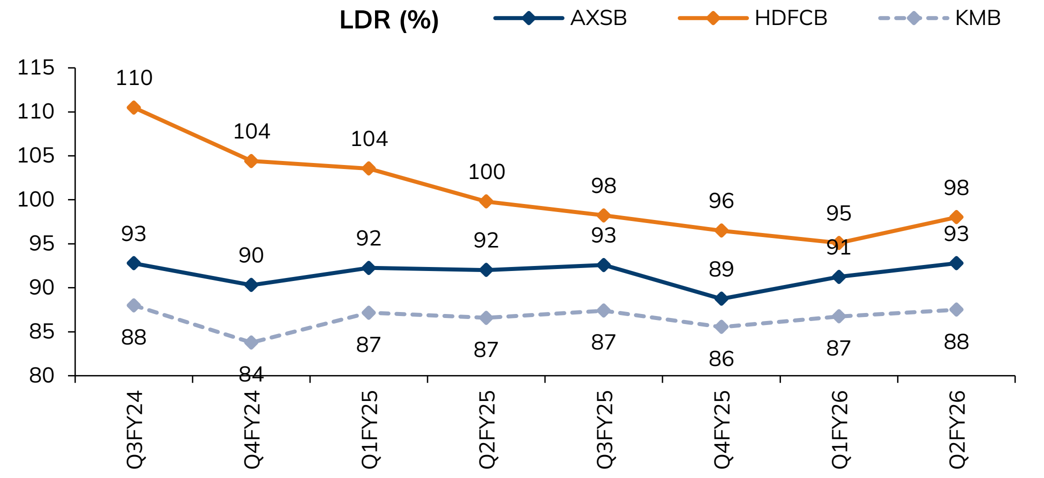
In the current rate environment, Axis has managed to actually enhance its reported NIM by 24bps. This compares much favourably vs. a dip at other banks in the same period. Similarly, on calculated basis, Axis's NIM as of Q2FY26 is 22bps higher than the beginning of the cycle; in contrast, its other two peers have seen a dip. We argue that some of the levers for NIM uptick (RIDF, overseas, quality of deposits, etc.) are clearly structural; though, some such as mix change (muted growth in home/corporate loans), may recede as growth outcomes take priority.

Exhibit 21: In the current cycle, Axis has seen the maximum rise in NIM



Source: I-Sec research, Company data. Note: The data may not be comparable for HDFCB due to merger

Exhibit 22: LDR has been range-bound for Axis; thus, it would have to equally focus on deposits growth (another possible reasons for delayed NIM recovery)

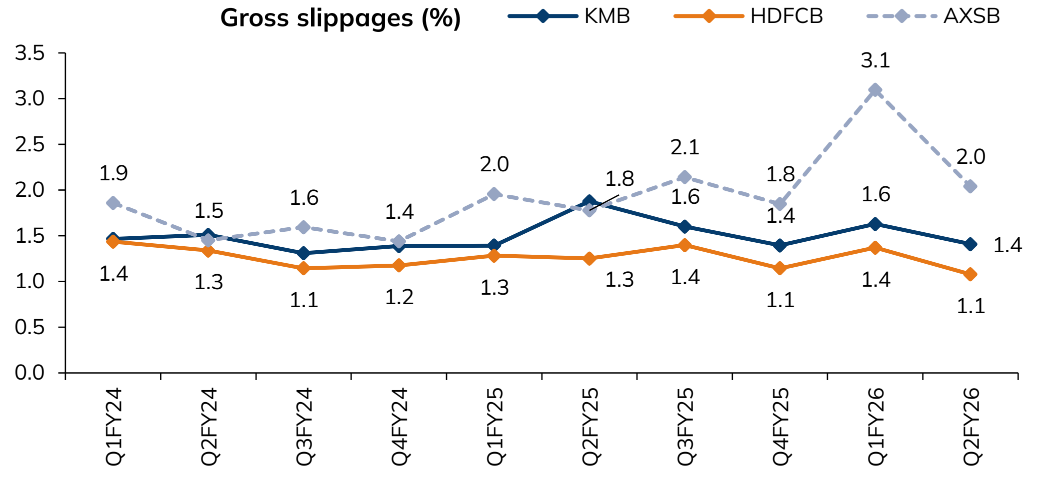


Source: I-Sec research, Company data. Note: The data may not be comparable for HDFCB due to merger

Core slippages broadly improving; no comment on SME dispensation

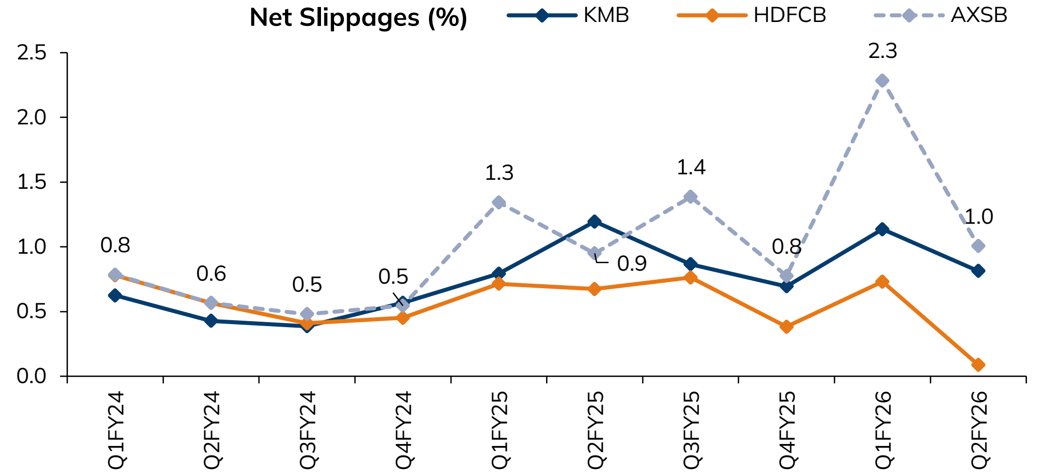
Axis mentioned that stress in credit cards has been improving. The incremental stress in personal loans has also been easing. The new book, post guardrails, has been behaving reasonably well and the impact would be visibly commensurate to the new book proportion. Going by the average tenure of ~4 years in PL, the significant improvement in the overall PL book could take some more time. Wholesale asset quality remains pristine. Commercial and SME book is well diversified. However, the bank declined to comment on its SME portfolio, for which it has asked for dispensation under the recent RBI guidelines.

Exhibit 23: Axis has seen sharp rise in slippages in the last two quarters, partly on technical reasons; it may see uptick QoQ, which is a bit disappointing



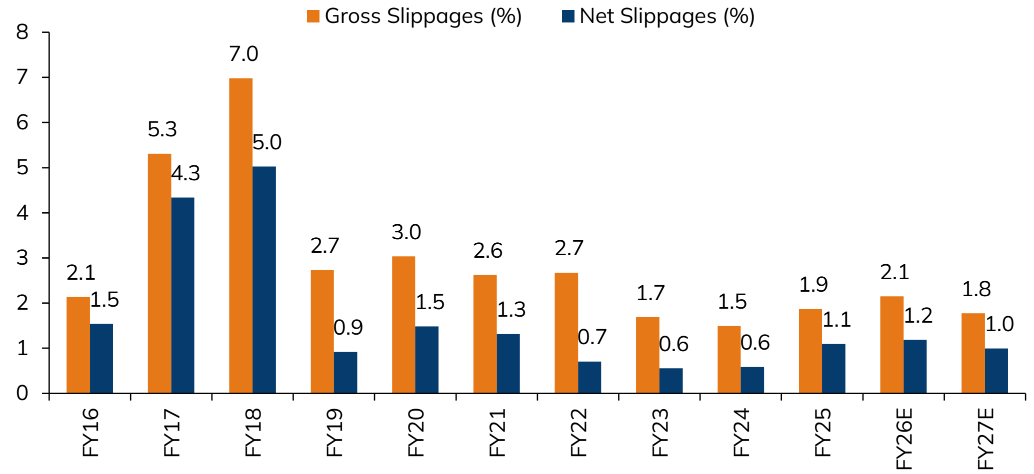
Source: I-Sec research, Company data

Exhibit 24: Net slippages have also jumped, which is at odds vs. peers



Source: I-Sec research, Company data

Exhibit 25: We see sharp rise in FY26E gross and net slippages, but see reasonable improvement in FY27E



Source: I-Sec research, Company data

Slippages could be higher QoQ due to adverse seasonality

The bank mentioned that core slippages (ex-technical and agri) have broadly been on an improving trajectory. It remains confident of sustaining this going ahead too. Agri slippages would exhibit the usual seasonality; thus, QoQ slippages may be incomparable. On technical slippages, Axis sticks to its earlier commentary of having taken the stock impact and incremental impact to be restricted to the flow.

However, the bank did point to the possibility of usual seasonality, as technical slippages are broadly from CC/OD, which may have agri linkages. Importantly, Axis notes that, due to seasonality, the QoQ trajectory of technical slippages is incomparable. The bank is fairly confident of technical slippages being lower vs. Q1.

We concur that overall gross slippages for large private banks would have a seasonality element and Q3FY26 slippages would rise QoQ, partly due to the same seasonality. For Axis, slippages could also be additionally impacted due to seasonality in technical slippages. The net technical slippages had actually declined meaningfully to INR 2.8bn vs. INR 18.6bn in Q1.

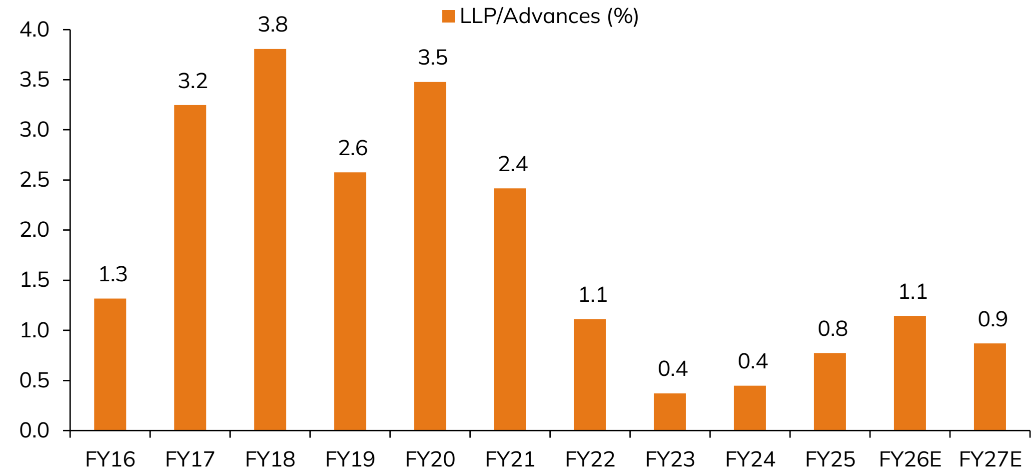
Raise gross slippages estimates; net slippages key monitorable

We take note of the improving core slippages; though, await more concrete signs given the still uncertain macro environment, especially in SME/BuB and unsecured retail. Reported slippages (ex-technical slippages) had improved to ~INR 42bn vs. ~INR 55bn in Q1FY26; however, it is incomparable due to agri seasonality. Axis mentioned that, except for agri seasonality, Q3FY26 would be a steady quarter without any one-offs.

We increase our gross slippages estimates to ~INR 257bn for FY26 vs INR 241bn earlier. We now estimate reported slippages of INR 68bn in Q3FY26 which translate to stable core slippages, ~INR 9bn of agri slippages and ~INR 17bn of technical slippages. We believe movement in overall net slippages is key monitorable as technical slippages could have better recovery profile.

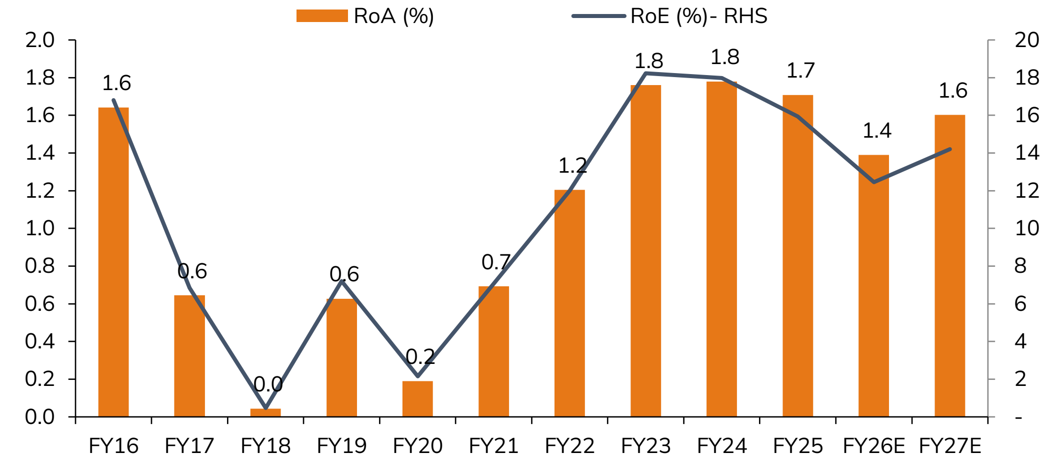
Our FY26 provisioning estimates have risen by ~6% to INR 128 or ~115 bps. We expect credit costs at ~100bps for H2FY26 (vs ~85bps earlier). We estimate FY27 gross and net slippages at ~1.8/1.0% respectively. We estimate credit costs for FY27 at ~90bps.

Exhibit 26: We see the bank delivering ~115bps credit costs in FY26E but a shift towards ~90bps in FY27E



Source: I-Sec research, Company data

Exhibit 27: We expect RoA to dip to ~1.4% in FY26E but reasonable uptick to ~1.6% by FY27E



Source: I-Sec research, Company data

Other updates

Axis has done away with the DMD position, post the exit of Mr Rajiv Anand. The bank has not taken a call on its positioning with respect to Axis Finance. However, the recent RBI guidelines on forms of business has increased the flexibility here. We note that Axis has lost credit card spend market share post the Citi acquisition. However, we also note that the bank has cut down on corporate credit card in the last few quarters. As per Axis, current spends market share may not be comparable with earlier times.

FY26/FY27 EPS cut of ~3%/2%; estimate RoA rising to 1.6% for FY27

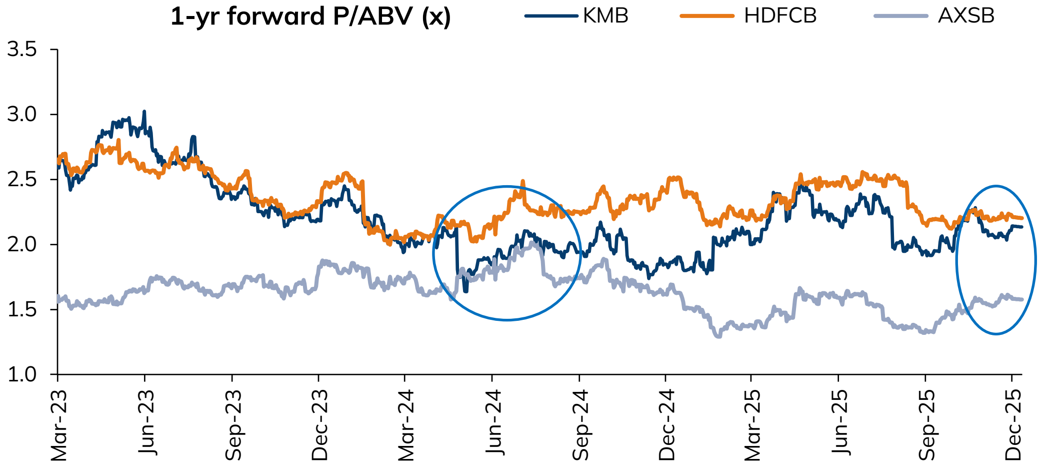
Overall, we raise our loan growth estimates to ~15% YoY vs. ~12% earlier for FY26 while keeping FY27 estimates broadly unchanged at ~13%. We lower our NIM estimates and also raise our credit cost estimates. Overall, we see ~3%/2% cut in our FY26/FY27 EPS estimates. For FY27, we see Axis delivering RoA of ~1.6% RoA and >14% RoE along with comfortable asset quality and healthy growth profile.

Maintain BUY with lower TP of INR 1,435; risk-reward attractive

Axis' stock is trading at similar or lower levels than a few smaller peers due to slower business and higher credit costs. Growth seems to be getting addressed, though it may have some collateral damage on NIM. Apart from agri seasonality, the bank is confident of steady delivery, devoid of any one-offs.

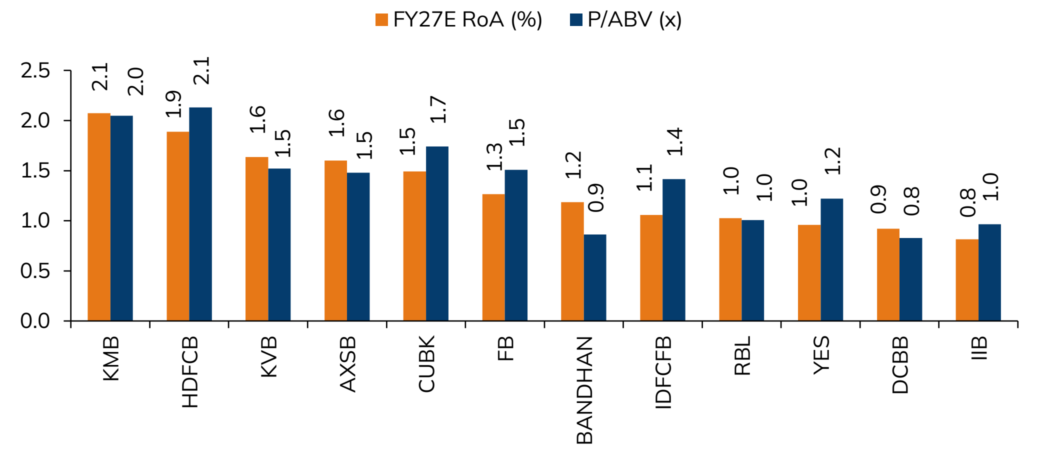
Overall, the bank should see a sharp rise in RoA/RoE in FY27E. Maintain **BUY** with a revised target price to INR 1,435 (INR 1,450 earlier), valuing its core banking book at a broadly unchanged ~1.8x FY27E multiple. Risk is higher-than-expected stress formation.

Exhibit 28: Axis traded at broadly similar levels to large peers in H1FY25; however, saw sharp de-rating due to slowing growth and jump in slippages/ credit costs



Source: I-Sec research, Company data

Exhibit 29: We see strong risk-reward for Axis, trading at ~1.5x core FY27E banking book; with possible RoA of ~1.6% and growth reviving to above system levels



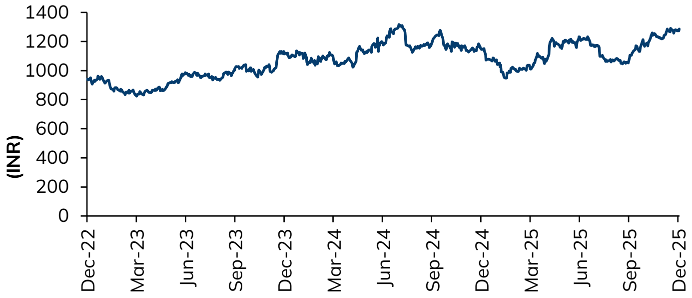
Source: I-Sec research, Company data

Exhibit 30: Shareholding pattern

%	Mar'25	Jun'25	Sep'25
Promoters	8.2	8.2	8.2
Institutional investors	84.8	85.0	84.8
MFs and others	32.0	32.5	34.0
Banks & FIs	2.5	2.5	2.6
Insurance Cos	5.2	5.0	5.0
FIIs	45.1	45.0	43.2
Others	7.0	6.8	7.0

Source: Bloomberg, I-Sec research

Exhibit 31: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 32: Profit & Loss

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
Interest income	10,93,686	12,26,770	12,59,674	14,28,896
Interest expense	5,94,742	6,83,292	7,01,998	7,69,913
Net interest income	**4,98,945**	**5,43,478**	**5,57,677**	**6,58,983**
Non-interest income	2,24,420	2,52,571	2,82,212	3,09,301
Operating income	**7,23,364**	**7,96,049**	**8,39,889**	**9,68,284**
Operating expense	3,52,133	3,75,000	3,93,319	4,43,045
Staff expense	1,09,331	1,21,928	1,29,244	1,46,045
Operating profit	**3,71,232**	**4,21,049**	**4,46,570**	**5,25,239**
Core operating profit	**3,53,272**	**4,01,202**	**4,18,070**	**5,02,739**
Provisions & Contingencies	40,631	77,584	1,27,937	1,10,724
Pre-tax profit	**3,30,601**	**3,43,466**	**3,18,633**	**4,14,515**
Tax (current + deferred)	81,986	79,731	80,296	1,04,458
Net Profit	**2,48,614**	**2,63,735**	**2,38,338**	**3,10,057**
Adjusted net profit	**2,48,614**	**2,63,735**	**2,38,338**	**3,10,057**

Source Company data, I-Sec research

Exhibit 33: Balance sheet

(Year ending, March)

	FY24A	FY25A	FY26E	FY27E
Cash and balance with RBI/Banks	11,44,544	9,97,321	10,56,547	12,20,731
Investments	33,15,273	39,61,418	43,51,041	47,92,125
Advances	96,50,684	1,04,08,113	1,19,65,765	1,35,46,715
Fixed assets	56,846	62,917	69,452	76,141
Other assets	6,04,740	6,69,530	7,61,773	8,67,574
Total assets	**1,47,72,086**	**1,60,99,299**	**1,82,04,578**	**2,05,03,284**
Deposits	1,06,86,414	1,17,29,520	1,32,20,933	1,50,47,138
Borrowings	19,68,118	18,41,465	18,72,591	19,07,452
Other liabilities and provisions	6,06,939	7,31,062	10,80,233	12,14,017
Share capital	6,173	6,195	6,195	6,195
Reserve & surplus	15,04,443	17,91,057	20,24,627	23,28,484
Total equity & liabilities	**1,47,72,086**	**1,60,99,299**	**1,82,04,578**	**2,05,03,284**
% Growth	12.1	9.0	13.1	12.6

Source Company data, I-Sec research

Exhibit 34: Key ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
No. of shares and per share data				
No. of shares (mn)	3,087	3,097	3,097	3,097
Adjusted EPS	80.7	85.3	76.9	100.1
Book Value per share	489	580	656	754
Adjusted BVPS	482	571	645	742
Valuation ratio				
PER (x)	15.2	14.4	15.9	12.2
Price/ Book (x)	2.5	2.1	1.9	1.6
Price/ Adjusted book (x)	2.3	1.9	1.7	1.5
Dividend Yield (%)	0.1	0.1	0.1	0.2
Profitability ratios (%)				
Yield on advances	9.6	9.7	8.9	9.0
Yields on Assets	7.8	7.9	7.3	7.4
Cost of deposits	4.5	4.8	4.4	4.3
Cost of funds	4.3	4.4	4.1	4.0
NIMs	3.8	3.7	3.4	3.6
Cost/Income	48.7	47.1	46.8	45.8
Dupont Analysis (as % of Avg Assets)				
Interest Income	7.8	7.9	7.3	7.4
Interest expended	4.3	4.4	4.1	4.0
Net Interest Income	**3.6**	**3.5**	**3.3**	**3.4**
Non-interest income	1.6	1.6	1.6	1.6
Trading gains	0.1	0.1	0.2	0.1
Fee income	1.5	1.5	1.5	1.5
Total Income	**5.2**	**5.2**	**4.9**	**5.0**
Total Cost	**2.5**	**2.4**	**2.3**	**2.3**
Staff costs	0.8	0.8	0.8	0.8
Non-staff costs	1.7	1.6	1.5	1.5
Operating Profit	**2.7**	**2.7**	**2.6**	**2.7**
Core Operating Profit	2.5	2.6	2.4	2.6
Non-tax Provisions	0.3	0.5	0.7	0.6
PBT	**2.4**	**2.2**	**1.9**	**2.1**
Tax Provisions	0.6	0.5	0.5	0.5
Return on Assets (%)	**1.8**	**1.7**	**1.4**	**1.6**
Leverage (x)	10.1	9.3	9.0	8.9
Return on Equity (%)	**18.0**	**15.9**	**12.5**	**14.2**
Asset quality ratios (%)				
Gross NPA	1.5	1.3	1.4	1.4
Net NPA	0.3	0.4	0.4	0.4
PCR	77.4	73.6	73.0	73.0
Gross Slippages	1.7	2.0	2.5	2.0
LLP / Avg loans	0.4	0.8	1.3	1.0
Total provisions / Avg loans	0.4	0.8	1.1	0.9
Net NPA / Networth	2.1	2.1	2.2	2.2
Capitalisation ratios (%)				
Core Equity Tier 1	13.7	14.7	14.5	14.6
Tier 1 cap. adequacy	14.2	15.1	14.8	14.9
Total cap. adequacy	16.6	17.1	16.8	16.7

Source Company data, I-Sec research

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