Dated: 28 Aug 2026

# Axis Bank (AXSB) - BUY

## Company Update

| Current Market Price (CMP) | Fair Value (FV) |
|---|---|
| Rs.1256 | Rs.1600 |

## Rationale:

- We met with Mr Munish Sharda, ED, and Mr Vijay Mulbagal, Group Head- Wholesale Bank, to understand the retail and wholesale banking operations.
- Axis Bank sees a dual-engine growth story: retail banking is poised to close the growth gap and gain market share through stronger execution, improved asset quality and better profitability.
- While wholesale banking remains focused on capital-efficient, relationship-led growth, leveraging fee income, cross-selling opportunities and technology-led franchise expansion without stretching the balance sheet.
- Bank is positioned to deliver healthy earnings growth over FY27-28E, supported by operating leverage and lower credit costs, providing a cushion to downside risks.
- Maintain BUY with FV of Rs1,600 (unchanged).

### Positives:

- Axis Bank expects retail advances to first close the growth gap with the industry and eventually deliver market-share-accretive outperformance.
- Asset quality has improved materially following investments in credit models, monitoring and collections.
- Retail profitability to improve, led by recent technology investments, favorable loan mix, better pricing and lower credit costs.
- Strong client engagement, faster underwriting turnaround times and technology investments such as the Neo platform are helping Axis gain share in wholesale segment.

### Negatives:

- Wholesale deposit costs have not yet eased meaningfully, even though they typically ease in the first quarter.

The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com).Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

## RATING SCALE (PRIVATE CLIENT GROUP)

### Definitions of ratings

**BUY** – We expect the stock to deliver more than 15% returns over the next 12 months

**ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months

**REDUCE** – We expect the stock to deliver -5% - +5% returns over the next 12 months

**SELL** – We expect the stock to deliver < -5% returns over the next 12 months

**NR** – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.

**SUBSCRIBE** – We advise investor to subscribe to the IPO.

**RS** – **Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.

**NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable

**NM** – **Not Meaningful.** The information is not meaningful and is therefore excluded.

**NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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