Research Report

Axis Bank Limited

Prepared By-

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About

Incorporated in December 1993, Axis Bank Limited is a private sector bank.It has the third-largest network of branches among private sector banks and an international presence through branches in DIFC (Dubai) and Singapore along with representative offices in Abu Dhabi, Sharjah, Dhaka and Dubai and an offshore banking unit in GIFT City.

Business Segments

Revenue Mix Q3 FY26

Treasury: ~15%
Corporate/Wholesale Banking: ~22%
Retail Banking: ~61%
Other Banking Business: ~2%

Market Leadership

- 3rd largest private sector bank in India
- 4th largest issuer of credit cards
- 5% market share in deposits, 5.5% market share in advances.

Ratios Q3 FY26:

Capital Adequacy Ratio - 16.55%
Net Interest Margin - 3.64%
Gross NPA - 1.40%
Net NPA - 0.42%
CASA Ratio - 39%

Synopsis of Financials

Headline financials (Q1 FY27)

- NII: ₹14,646 cr (+8% YoY, +1.3% QoQ)
- Fees: ₹6,156 cr (+7% YoY); granular fee 90% of total
- Operating profit: ₹11,659 cr
- Core operating profit: ₹11,122 cr (+10% YoY, +4.8% QoQ)
- PAT: ₹7,114 cr (+23% YoY, +1% QoQ)

Source: Company Annual Report

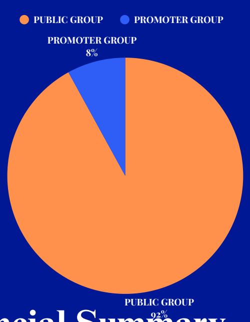
Stock data (as 30th July 2026)

Nifty Price	: 24,289.25
52 week High (in Rs.)	: 1,418.30
52 week Low (in Rs.)	: 1,042.50
Market Cap. (in Crore)	: 3,80,921.03
NSE Code	: INE238A01034

Stock data

-NIFTY-50
Axis Bank Ltd.

Shareholding Pattern (June 2026)



-PUBLIC GROUP
-PROMOTER GROUP

Financial Summary

Particular	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26
Revenue -	68,846	87,448	1,12,759	1,27,374	1,32,538
Sales Growth %	6.91%	27.02%	28.94%	12.96%	4.05%
Interest	34,923	43,389	61,391	71,036	74,075
Expenses	31,216	30,644	40,036	46,395	53,954
Financing Profit	2,707	13,416	11,333	9,943	4,509
Financing Margin %	4%	15%	10%	8%	3%
Other Income	17,268	18,349	25,230	28,543	29,674
Net Profit	14,207	10,919	26,492	28,191	26,548
EPS in Rs	45.99	35.16	85.49	90.58	84.89
Dividend Payout %	2%	3%	1%	1%	1%

Quaterly Results

Particular	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
Revenue -	32,452	32,348	32,310	33,709	34,171	35,542
YOY Sales Growth %	7.35%	3.82%	2.24%	4.81%	5.30%	9.87%
Interest	18,121	18,239	17,971	18,785	19,080	20,215
Expenses -	11,943	13,983	14,302	12,743	14,816	12,837
Employee Cost %	10.29%	11.29%	10.94%	9.61%	10.48%	9.93%
Financing Profit	2,389	127	36	2,181	275	2,490
Financing Margin %	7%	0%	0%	6%	1%	7%
Other Income -	7,506	8,053	7,460	7,189	6,972	7,671
Other income normal	7,506	8,053	7,460	7,189	6,972	7,671
Depreciation	0	0	0	0	0	0
Profit before tax	9,895	8,180	7,496	9,371	7,247	10,161
Tax %	24%	23%	26%	25%	-5%	25%
Net Profit +	7,509	6,279	5,567	7,060	7,642	7,670

Source: Screener

Key Ratios

Business ratios:

As at	31 March, 2026 %	31 March, 2025 %
Interest income as a percentage to working funds[1]	7.52	8.10
Non-interest income as a percentage to working funds[1]	1.55	1.67
Cost of Deposits	4.85	5.12
Net Interest Margin[2]	3.69	3.98
Operating profit[3] as a percentage to working funds[1]	2.53	2.78
Return on assets (based on working funds[1])	1.45	1.74
Business (deposits less inter-bank deposits plus advances) per employee[4]	₹24.48 crores	₹20.88 crores
Profit per employee[4]	₹0.24 crores	₹0.25 crores

1. Working funds represent average of total assets as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949 during the year
2. Net Interest Income/Average Earning Assets. Net Interest Income = Interest Income – Interest Expense
3. Operating profit represents total income as reduced by interest expended and operating expenses
4. Productivity ratios are based on average employee numbers for the year

Source: Company Annual Report

Yearly Results

Particulars	March 2022	March 2023	March2024	March2025	March2026
Equity Capital	614	615	617	619	622
Reserves	1,17,647	1,29,166	1,56,406	1,86,616	2,14,414
Deposits	8,20,914	9,45,825	10,67,102	11,70,921	13,33,791
Borrowing	1,99,778	2,06,214	2,28,200	2,20,687	2,80,511
Other Liabilities	56,576	62,598	65,913	78,119	1,16,713
Total Liabilities	11,95,529	13,44,418	15,18,239	16,56,963	19,46,050
Fixed Assets	4,753	5,000	5,860	6,661	6,776
CWIP	215	142	267	121	269
Investments	2,74,608	2,88,095	3,32,354	3,96,685	4,46,422
Other Assets	9,15,952	10,51,181	11,79,758	12,53,496	14,92,583
Total Assets	11,95,529	13,44,418	15,18,239	16,56,963	19,46,050

Source: Screener

Synopsis Quarter Results

Concall Notes - Jul -2026: Key Highlights

Profitability: NII, fees, costs, and the NIM debate:
Headline financials (Q1 FY27)

- NII: ₹14,646 cr (+8% YoY, +1.3% QoQ)
- Fees: ₹6,156 cr (+7% YoY); granular fee 90% of total
- Operating profit: ₹11,659 cr
- Core operating profit: ₹11,122 cr (+10% YoY, +4.8% QoQ)
- PAT: ₹7,114 cr (+23% YoY, +1% QoQ)
- Consolidated returns: ROA 1.56%, ROE 14.52%
  - Subsidiaries contributed +5 bps to ROA and +36 bps to ROE

Balance sheet growth & mix (key driver of current debate on NIM):
Advances:

- Total advances: +19% YoY, +2% QoQ
  - Wholesale: +38% YoY
  - SME: +25% YoY
  - Retail: +8% YoY
- CFO: bank gained market share: +10 bps in loans YoY.

Deposits & funding

- Total deposits (QAB): +18% YoY
  - Term deposits +21% YoY
  - CA +13% YoY, SA +14% YoY, CASA +13% YoY
- Sequential QAB: total deposits +6% QoQ, CASA +5% QoQ, term deposits +7% QoQ
- CFO: +20 bps YoY deposit market share.
- Cost of funds: -35 bps YoY, -2 bps QoQ.

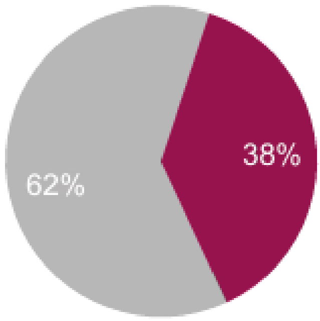
Highlights

Key metrics for Q1FY27

Snapshot (As on 30th June 2026)

Deposits

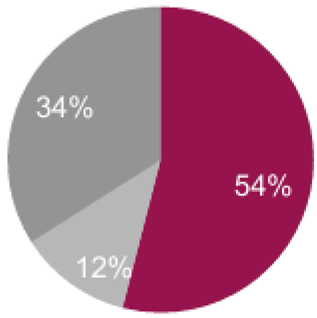
18% YOY [3]
18% YOY [4]



CASA
11% YOY [3]
13% YOY [4]

Advances

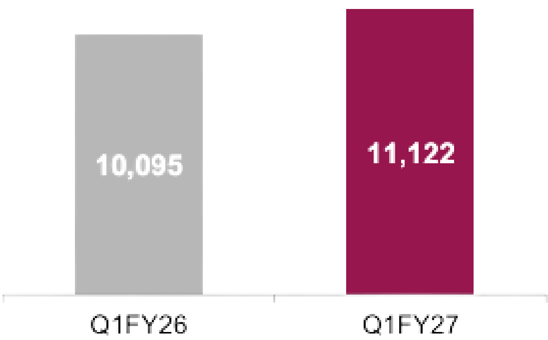
19% YOY



Retail 8% YOY
SME 25% YOY
Corporate 38% YOY

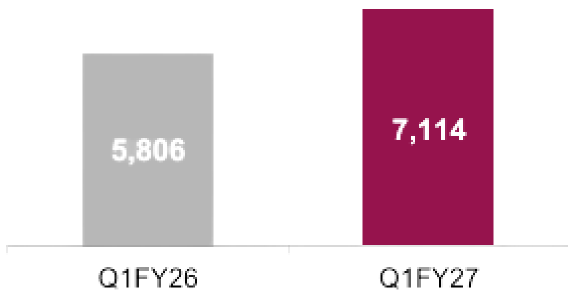
Core Operating Profit (in ₹ crores)

10% YOY



Profit After Tax (in ₹ crores)

23% YOY



Source: Investor Presentation

Peer Comparison

Peer Stock Performance (5Y) Indexed

Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
HDFC Bank	750.95	14.60	1156849.00	1.74	20382.69	18.37	90575.33	3.67	7.02
ICICI Bank	1429.60	18.37	1025824.00	0.83	16276.22	13.88	52240.85	6.44	7.18
Kotak Mah. Bank	388.20	19.29	386156.90	0.17	5480.46	22.55	18354.57	6.41	6.98
Axis Bank	1223.95	13.74	380815.40	0.08	7670.37	22.24	35541.96	9.87	6.24

Source: Screener

Final Outlook

AXISBANK : HOLD| LTP: 1223.95

Summary:
Axis Bank has delivered consistent business growth over the last few years, supported by healthy growth in advances, deposits, and improving profitability. The bank continues to strengthen its retail and corporate banking franchise while maintaining strong asset quality through disciplined risk management. Stable growth in Net Interest Income, healthy capital adequacy, and continued investments in digital banking provide a solid foundation for long-term growth. However, pressure on Net Interest Margins (NIMs), rising competition in the banking sector, and changes in interest rates may impact earnings in the near term. Overall, Axis Bank remains a fundamentally strong private sector bank with stable financial performance and promising long-term growth prospects.

Recent Performance (Q1 FY27 – Easy View):

- Net Interest Income (NII) increased to ₹14,646 Cr, up 8% YoY.
- Core Operating Profit grew 10% YoY to ₹11,122 Cr.
- Net Profit (PAT) rose 23% YoY to ₹7,114 Cr.
- Advances grew 19% YoY, while deposits increased 18% YoY, reflecting strong business momentum.
- Gross NPA improved to 1.40% and Net NPA remained low at 0.42%, indicating healthy asset quality.
- Capital Adequacy Ratio stood at 16.55%, supporting future credit growth.

Axis Bank remains a **fundamentally strong private sector bank** with a diversified loan portfolio, improving asset quality, healthy capital position, and consistent earnings growth. The bank is well-positioned to benefit from India's growing credit demand, expanding digital banking ecosystem, and improving operating efficiency. While the long-term outlook remains positive, moderation in Net Interest Margins (NIMs), increasing competition, and a higher cost of funds may limit earnings growth in the near term.