Dated: 30 June 2026

Axis Bank (AXSB) - BUY

Q4FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.1346	**Rs.1600**

Rationale:

- Axis Bank delivered flat earnings, with operating profit down 7% yoy, reflecting higher one-off provisions linked to global tensions.
- Revenue growth remained muted, despite strong loan growth due to weak non-interest income, while Net Interest Margin (NIM) was unchanged qoq.
- A significant relative re-rating versus peers has already occurred, making further outperformance materially harder to sustain.
- Maintain BUY with a Fair Value of Rs1,600 (Rs1,500 earlier).

Positives:

- Overall loan growth stood at 19% yoy & Deposit growth improved to 14% yoy.
- Management indicated that, in the near term, it intends to grow the loan book faster the system.
- Current account and savings account (CASA) ratio was up marginally by ~50 bps qoq to 40%.
- Net Interest Margin (NIM) (reported) was flat qoq at 3.6%.
- Gross Non performing loans (NPL) ratio declined ~15 bps qoq to 1.2%, while the net NPL ratio declined ~5 bps qoq to 0.4%.
- Gross slippage ratio (annualized) for the quarter stood at 1.5%, lower than the slippage of ~3% reported in 1QFY26 and ~2% in the two subsequent quarters.

Negatives:

- Credit cost remained elevated on account of a one-off standard asset provision.
- Lower fee income and treasury loss resulted in a 10% yoy decline in non-interest income.

Holding Period: 12 months