

Axis Bank (AXSB) - BUY

Result Update

Current Market Price (CMP) Rs. 1,016	Target Price Rs. 1,500
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Rationale:

- Co. reported 4% yoy earnings growth on the back of ~15% operating profit growth.
- Loan and deposit growth has slowed (9% yoy).
- NIM has held up largely unchanged at 3.9%.
- The worry on higher slippages from unsecured loans appears to have been addressed this quarter.
- Maintain BUY with FV at Rs1,500 (unchanged).

Q3FY25 Earnings Update:

👍 Positives:

- Revenue grew ~8% yoy with NII growth at ~10% yoy.
- Headline asset quality stable with negligible changes to gross and net NPL ratios qoq.
- Credit cost for quarter stood at ~85 bps of loans, a decline from ~90 bps in Q2FY25.

👎 Negatives:

- Loan growth slowed to ~9% yoy.
- Recovery in loan growth led by healthy deposit mobilization probably remains challenge.
- Retail segment profitability has been sluggish recently.

(NIM - Net Interest Margin, NII – Net Interest Income)

[Click here](#)

For detailed report dated 16th January 2025. Note: CMP & valuation may differ due to difference in dates.



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