

## Pick of the Week

### BUY – Axis Bank (AXSB)

CMP: ₹1,198 as on 06 April 2026

Fair Value (FV): ₹1,500

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Time Period: 12 months

### Why Invest?

- The performance for last quarter continued to show that the bank is progressing on expected lines.
- Concerns that Q3 slippages could rise, leading to higher credit costs versus peers, did not materialize.
- Gross Non performing loans (NPL) ratio declined ~10 bps qoq to 1.4%, while the net NPL ratio was flat qoq at 0.4%.
- Overall loan growth stood at 12% yoy led by SME and corporate loans.
- Overall deposits (end-of-period) for the bank grew 15% yoy, with Current account up 20% yoy, Savings account up 11% yoy.
- Among large banks, Axis Bank would have the highest earnings support through lower credit costs for FY2027.
- Our overarching theme remains that the current discount to its top peers should not be as high as what it is currently.
- We maintain BUY with an FV of Rs1,500 (Rs1,400 earlier), valuing the bank at ~2X book and ~13X December FY2027 EPS for RoEs of ~14%.

Maintain BUY with **FVRs-1,500**

## RATING SCALE (PRIVATE CLIENT GROUP)

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### 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.
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- 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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