


STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Banking

COMPANY DETAILS

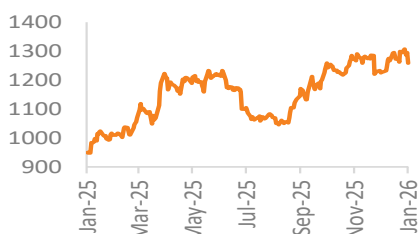
Market cap:	Rs. 3,91,299 cr
52-week high/low:	Rs. 1,333 / 958
NSE volume: (No of shares)	61.0 lakh
BSE code:	532215
NSE code:	AXISBANK
Free float: (No of shares)	286.6 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	8.2
FII	42.6
DII	42.6
Others	6.6

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART


Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	2.7	-0.1	13.8	32.3
Relative to Sensex	7.4	3.5	15.3	25.7

Source: Mirae Asset Sharekhan Research, Bloomberg

AXIS Bank Ltd
Decent Q3, long-term outlook stable

 Reco/View: **BUY**

 CMP: **Rs. 1,258**

 Price Target: **Rs. 1,490**
Quick Snapshot

- NIM was down 9 bps q-o-q at 3.64% and was below estimates, due to compressed spreads and interest reversals impact. NII was however slightly ahead of estimates.
- PAT rose 27.5% q-o-q and 2.9% y-o-y (above estimates) owing to lower opex and total provisions. Loan growth showed improved loan traction on y-o-y basis and is expected to remain above industry in medium-long term.
- Though asset quality was largely stable as NPA ratios declined q-o-q, technical slippages not to have economic impact.
- Bank is well capitalized with broadly stable operating metrics; we maintain BUY rating with revised PT of Rs1490.

Result overview

- NII grew 5% y-o-y and 3.9% q-o-q, but NIMs fell 9 bps q-o-q, mostly due to shrinking interest spreads.
- Total fees reached Rs. 6,100 crores (up 12% y-o-y), with retail fees accounting for 12% growth and 92% of total fees being granular in nature.
- Opex was down 3.2% q-o-q, Staff expenses declined due to a q-o-q headcount reduction and a reversal of certain accruals. Cost to assets ratio at 2.33%, an improvement of 15 bps y-o-y and 5 bps q-o-q.
- Net credit cost was 0.76% and ex-technical impact, it was 0.63%. Sequentially net credit cost was up 3 bps but y-o-y it was down 4 bps.
- On the back of controlled opex and credit costs, PAT rose 27.5% q-o-q and 2.9% y-o-y.
- Total advances grew 14% y-o-y and 4% q-o-q to Rs. 11,59,052 crore. Corporate loan growth was strong at 27% y-o-y, SBB book was up 14% y-o-y. Retail disbursements grew 20% y-o-y and 12% q-o-q.
- Total deposits grew 15% y-o-y to Rs. 12,60,786 crore. CASA ratio stood at 39%.
- Reported gross NPA ratio was 1.40%, down 6 bps q-o-q, but excluding technical impact the number was 1.21%.

Our Call

Axis Bank maintains a positive strategic outlook, aiming to sustainably outpace industry growth by 300 bps over the long term. The bank is focusing on rebalancing its portfolio toward a higher retail mix and driving operational efficiency through digital transformation and new internal tools. The bank remains well-capitalized, requiring no additional equity to fund its expansion. We value the bank at ~1.5x FY28E BVPS and subsidiaries at Rs130 per share to arrive at a revised PT of Rs1490.

Key Risks

Pressure on NIMs and higher technical NPAs could impact financials.

Valuation

	Rs cr				
Particulars	FY24	FY25	FY26E	FY27E	FY28E
Net Interest Income	49,894	54,348	56,590	65,353	75,121
Net profit	24,861	26,373	24,370	32,133	37,554
EPS (Rs)	80.7	84.8	78.5	103.5	120.9
P/E (x)	14.0	13.3	14.4	10.9	9.3
P/BV (x)	2.3	1.9	1.7	1.5	1.3
RoE	18.0	15.9	12.7	14.6	14.8
RoA	1.8	1.7	1.4	1.6	1.7

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Jan 23, 2026

Concall highlights

Profitability and NII

- NII grew to Rs. 14,287 crores, up 5% y-o-y and 4% q-o-q. For 9MFY2026, NII reached Rs. 41,591 crore, up 3% y-o-y increase.
- NIM fell 9 bps q-o-q to 3.64% due to a shift in the mix toward wholesale advances and incremental CASA ratios being lower than the existing book.
- Interest-earning asset yields declined 17 bps q-o-q. The full impact of the 25-basis point repo rate cut in December 2025 is expected to be transmitted through loan yields in Q4FY26.
- Bank maintained a through-cycle NIM guidance of 3.8%, remaining confident in achieving this target over the duration of asset and liability repricing.

Loan Portfolio and Disbursements

- Total advances grew 14% y-o-y and 4% q-o-q to Rs. 11,59,052 crore. Corporate loan growth was strong at 27% y-o-y and 7% q-o-q.
- Early indicators on retail unsecured products are within guardrails and stabilising.
- Credit card advances grew 3% y-o-y and rural loan portfolio grew 2% QOQ. SME book remains well diversified across geographies and sectors, grew 6% QOQ and 22% YOY to Rs. 1,39,327 crore.
- Retail disbursements grew 20% y-o-y and 12% q-o-q. Personal disbursements grew 21% y-o-y and 1% q-o-q, with 64% of disbursements being end-to-end digital.
- Bank eyes asset growth rate that is approximately 300 bps above the industry average through-cycle.

Liabilities and Network

- Total deposits grew 15% y-o-y (MEB) to Rs. 12,60,786 crore. CASA ratio stood at 39%.
- Current account deposits jumped 20% y-o-y
- Cost of funds decreased 39 bps y-o-y and 8 bps q-o-q. Management expects a further decline in deposit costs next quarter to partially offset margin pressure.
- The bank added 134 branches in Q3FY26, bringing the domestic network to 6,110 branches. It eyes 400 branch additions in FY26.
- Management noted that the deposit franchise is gaining strength through a premium-led sourcing strategy, evidenced by a 53% y-o-y increase in average balances maintained by new customers

Asset Quality and Provisions

- Reported gross NPA ratio was 1.40%, down 6 bps y-o-y. GNPA excluding technical impact was 1.21%.
- Gross slippages were Rs. 6,007 crore. Notably, 39% of gross slippages were contributed by linked accounts that were either standard when classified or upgraded within the same quarter.
- Gross slippages from technical impact were Rs. 1,698 crore. The net slippage ratio stood at 1.11%, while the net slippage ratio excluding technical impact was 0.95%.
- The bank holds cumulative non-NPA provisions of Rs. 13,111 crore, including Rs. 1,711 crore in standard asset provisions higher than regulatory rates and an additional one-time provision of Rs. 1,231 crores.
- Management highlighted that retail asset quality is stabilising, specifically noting y-o-y improvements in gross/net slippages and credit costs for both the credit cards and personal loans.

Liquidity and Market Share

- Average Liquidity Coverage Ratio (LCR) was ~116%. The Loan-to-Deposit Ratio (LDR) has been maintained between 90% and 93% over the last several quarters.
- **Market Share:**
 - **UPI:** Leading position in UPI Payer PSP with ~39% market share by volume.
 - **Credit Cards:** Maintained a market share of ~14% on cards in force.
- **Merchant Acquiring:** terminal market share of 21.4%.

Subsidiaries' Performance (9MFY26)

- **Axis Finance:** PAT grew 12% y-o-y to Rs. 571 crores; overall assets under finance grew 22% y-o-y.
- **Axis AMC:** PAT grew 20% y-o-y to Rs. 454 crores; QAAUM rose 11% y-o-y to Rs. 3,60,575 crore.
- **Axis Securities:** PAT stood at Rs. 270 crore with a 14% y-o-y growth in customer base.
- **Axis Capital:** PAT grew 20% y-o-y to Rs. 178 crores; it executed 14 ECM and 5 non-ECM deals in Q3.

Results

	Rs cr				
Particulars	Q3FY26	Q3FY25	YoY	Q2FY26	QoQ
Net Interest Income	14,287	13,606	5.0%	13,744	3.9%
Other income	6,226	5,972	4.2%	6,625	-6.0%
Net Income	20,512	19,578	4.8%	20,369	0.7%
Opex	9,637	9,044	6.5%	9,957	-3.2%
Operating Profit	10,876	10,534	3.2%	10,412	4.4%
Provisions	2,246	2,156	4.2%	3,547	-36.7%
PAT	6,490	6,304	2.9%	5,090	27.5%
Advances	11,59,052	10,14,564	14.2%	11,16,703	3.8%
Deposits	12,60,786	10,95,883	15.0%	12,03,487	4.8%
NIMs %	3.64	3.93	-29 bps	3.73	-9 bps
GNPA %	1.40	1.46	-6 bps	1.46	-6 bps
NNPA %	0.42	0.35	7 bps	0.44	-2 bps
PCR %	70.0	76.2	-621 bps	70.5	-48 bps

Source: Company; Mirae Asset Sharekhan Research

Additional Data
Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	LIC of India	7.89
2	ICICI Pru. AMC	6.39
3	SBI Funds	5.19
4	Stake Bank of India	5.18
5	HDFC AMC	5.02
6	Vanguard	3.23
7	Blackrock INC	3.16
8	Nippon Life AMC	3.01
9	NPS Trust A/c UTI retirement	2.59
10	Dodge & Cox	2.15

Source: Bloomberg

Key management personnel

Name	Designation
MD & CEO	Amitabh Chaudhry
CFO	Puneet Sharma
Chairman	N. S. Vishwanathan

Source: Company Website

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