

Axis Bank

Performance Highlights

Particulars (₹ cr)	3QFY13	2QFY13	% chg (qoq)	3QFY12	% chg (yoy)
NII	2,495	2,327	7.2	2,140	16.6
Pre-prov. profit	2,362	2,178	8.4	2,059	14.7
PAT	1,347	1,124	19.9	1,102	22.2

Source: Company, Angel Research

During 3QFY2013, Axis Bank reported a 22.2% yoy growth in its net profit, which was in-line with ours' and ahead of streets' estimates. Sequential improvement in NIMs, robust growth in fee income and stable NPA ratios, were the key highlights from the results.

NIMs improve sequentially on better yields; Asset quality remains stable: During 3QFY2013, the bank reported a healthy growth in business, with advances and deposits registering a growth of 20.7% and 17.2% yoy, respectively. Growth in the loan book was primarily on account of robust traction witnessed in the retail loan book, particularly home and auto loan segments. Growth in the large and mid-corporate segment remained moderate at 12.5% yoy. CASA deposits grew by a moderate 12.7% yoy, aided by a strong growth of 21.6% in savings deposits, even as current deposits grew at a subdued pace of 2.0% yoy. Overall, the reported NIM improved by 11bp qoq to 3.57%, largely on account of improvement in the yields. The bank registered moderate growth in its non-interest income excluding treasury, largely driven by a healthy growth in fee income from the Retail and Agri & SME segments. On the asset quality front, slippages came in at ₹541cr, as against ₹628cr witnessed in 2QFY2013. In-line with the Management's guidance, slippages and restructuring taken together, have amounted to ~₹900cr in 3QFY2013 and ~₹2,900cr in 9MFY2013. Going ahead, the Management expects a similar run rate in slippages and restructuring to continue for the next few quarters. Along with sequentially lower slippages, the bank also reported sequentially higher recoveries and upgrades at ₹180cr, which helped it to contain the increase in its gross and net NPA levels, on an absolute basis, to around 3.8% qoq. The gross and net NPA ratio remained stable sequentially at 1.1% and 0.33%, respectively. The bank's PCR improved by 100bp qoq to 81.0%. Additionally, the bank restructured advances worth ₹368cr during the quarter, thereby taking its total restructured book to ₹4,257cr.

Outlook and valuation: Axis Bank is trading at 1.9x FY2014E ABV – more than 50% discount to HDFC Bank vs. an average discount of around 35% over the past five years (which we believe over-discounts asset quality concerns). We remain positive on the bank, owing to its attractive CASA franchise, multiple sources of sustainable fee income and reasonable growth outlook. **We maintain our Buy recommendation, with a target price of ₹1,641.**

Key financials (Standalone)

Y/E March (₹ cr)	FY2011	FY2012	FY2013E	FY2014E
NII	6,563	8,018	9,573	11,552
% chg	31.1	22.2	19.4	20.7
Net profit	3,388	4,242	5,091	5,940
% chg	34.8	25.2	20.0	16.7
NIM (%)	3.2	3.1	3.2	3.2
EPS (₹)	82.5	102.7	119.2	139.0
P/E (x)	17.2	13.9	11.9	10.2
P/ABV (x)	3.1	2.6	2.2	1.9
RoA (%)	1.6	1.6	1.6	1.6
RoE (%)	19.3	20.3	20.3	20.1

Source: Company, Angel Research

BUY

CMP	₹1,422
Target Price	₹1,641

Investment Period	12 Months
-------------------	-----------

Stock Info

Sector	Banks
Market Cap (₹ cr)	60,761
Beta	1.2
52 Week High / Low	1429/917
Avg. Daily Volume	232,692
Face Value (₹)	10
BSE Sensex	19,987
Nifty	6,057
Reuters Code	AXBK.BO
Bloomberg Code	AXSB@IN

Shareholding Pattern (%)

Promoters	35.5
MF / Banks / Indian Fls	11.1
FII / NRIs / OCBs	43.9
Indian Public / Others	9.5

Abs. (%)	3m	1yr	3yr
Sensex	6.8	23.7	13.9
AXSB	27.2	51.4	31.9

Vaibhav Agrawal

022 – 3935 7800 Ext: 6808

vaibhav.agrawal@angelbroking.com

Sourabh Taparia

022 – 3935 7800 Ext: 6872

sourabh.taparia@angelbroking.com

Exhibit 1: 3QFY2013 performance summary (Standalone)

Particulars (₹ cr)	3QFY13	2QFY13	% chg (qoq)	3QFY12	% chg (yoy)	9MFY13	9MFY12	% chg (yoy)
Interest earned	6,965	6,687	4.2	5,777	20.6	20,135	15,934	26.4
- on Advances / Bills	4,907	4,736	3.6	3,964	23.8	14,267	11,121	28.3
- on investments	2,014	1,897	6.2	1,775	13.5	5,717	4,657	22.8
- on balance with RBI & others	25	22	12.0	15	59.5	70	75	(6.6)
- on others	19	32	(40.4)	23	(15.1)	81	82	(1.1)
Interest Expended	4,470	4,360	2.5	3,637	22.9	13,133	10,063	30.5
Net Interest Income	2,495	2,327	7.2	2,140	16.6	7,002	5,872	19.2
Other income	1,615	1,593	1.4	1,430	13.0	4,544	3,833	18.6
Other income excl. treasury	1,456	1,386	5.1	1,312	11.0	4,027	3,617	11.3
- Fee Income	1,405	1,343	4.6	1,223	14.9	3,903	3,400	14.8
- Treasury Income	159	207	(23.2)	118	35.3	517	216	139.8
- Others	51	43	19.7	90	(43.2)	124	217	(42.7)
Operating income	4,110	3,920	4.9	3,570	15.1	11,546	9,704	19.0
Operating expenses	1,749	1,742	0.4	1,511	15.7	5,042	4,311	17.0
- Employee expenses	615	578	6.4	542	13.5	1,776	1,551	14.5
- Other Opex	1,134	1,164	(2.6)	969	17.0	3,267	2,760	18.3
Pre-provision Profit	2,362	2,178	8.4	2,059	14.7	6,503	5,393	20.6
Provisions & Contingencies	387	509	(24.1)	422	(8.4)	1,155	1,004	15.1
- Provisions for NPAs	325	407	(20.1)	334	(2.7)	993	734	35.3
- Other Provisions	62	102	(39.6)	88	(30.0)	162	270	(39.9)
PBT	1,975	1,669	18.3	1,637	20.6	5,348	4,390	21.8
Provision for Tax	627	545	15.1	535	17.4	1,724	1,425	21.0
PAT	1,347	1,124	19.9	1,102	22.2	3,624	2,965	21.0

Source: Company, Angel Research

Exhibit 2: 3QFY2013 – Actual vs. Angel estimates

Particulars (₹ cr)	Actual	Estimates	Var. (%)
Net interest income	2,495	2,466	1.2
Other income	1,615	1,669	(3.2)
Operating income	4,110	4,136	(0.6)
Operating expenses	1,749	1,751	(0.2)
Pre-prov. profit	2,362	2,384	(1.0)
Provisions & cont.	387	410	(5.7)
PBT	1,975	1,974	0.0
Prov. for taxes	627	641	(2.0)
PAT	1,347	1,334	1.0

Source: Company, Angel Research

Exhibit 3: 3QFY2013 performance analysis (Standalone)

Particulars	3QFY13	2QFY13	% chg (qoq)	3QFY12	% chg (yoy)
Balance sheet					
Advances (₹ cr)	179,504	172,132	4.3	148,739	20.7
Deposits (₹ cr)	244,501	235,619	3.8	208,693	17.2
Credit-to-Deposit Ratio (%)	73.4	73.1	36bp	71.3	214bp
Current deposits (₹ cr)	40,236	39,349	2.3	39,459	2.0
Saving deposits (₹ cr)	57,521	56,189	2.4	47,297	21.6
CASA deposits (₹ cr)	97,757	95,538	2.3	86,756	12.7
CASA ratio (%)	40.0	40.5	(57)bp	41.6	(159)bp
CAR (%)	13.7	13.0	74bp	11.8	195bp
Tier 1 CAR (%)	8.8	9.0	(16)bp	8.3	58bp
Profitability Ratios (%)					
Cost of funds	6.5	6.5	(2)bp	6.3	18bp
Reported NIM	3.6	3.5	11bp	3.8	(18)bp
Cost-to-income ratio	42.5	44.4	(189)bp	42.3	22bp
Asset quality					
Gross NPAs (₹ cr)	2,275	2,191	3.8	1,914	18.8
Gross NPAs (%)	1.1	1.1	0bp	1.1	0bp
Net NPAs (₹ cr)	679	654	3.7	683	(0.6)
Net NPAs (%)	0.3	0.3	0bp	0.4	(6)bp
Provision Coverage Ratio (%)	81.0	80.0	100bp	75.3	572bp
Slippage ratio (%)	1.3	1.5	(20)bp	1.5	(23)bp
NPA prov. to avg. assets (%)	0.4	0.5	(13)bp	0.5	(10)bp

Source: Company, Angel Research

Healthy growth in Balance sheet continues

During 3QFY2013, the bank reported a healthy growth in business, with advances and deposits registering a growth of 20.7% and 17.2% yoy, respectively. The growth in the loan book was primarily on account of strong traction witnessed in the retail loan book, wherein home and auto loan segments grew by 31.0% and 33.4% yoy, respectively. The SME loan book also grew at a robust pace of 22.2% yoy during the quarter.

Growth in the large and mid-corporate segment remained moderate at 12.5% yoy. The management has reiterated its guidance of above system-average loan growth during FY2013, with primary focus on retail (home, auto) and SME lending (better opportunities and to meet priority sector lending targets).

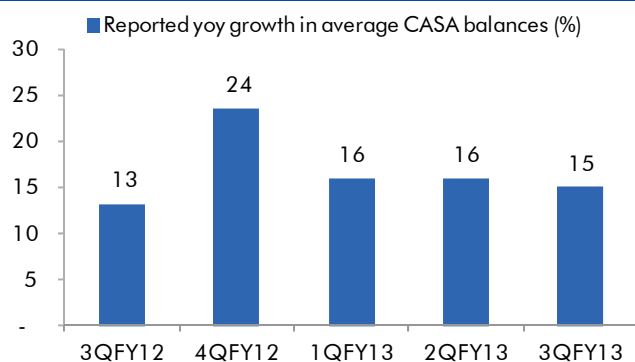
Exhibit 4: Strong yoy growth in retail loans aided healthy adv. growth

Particulars (₹ cr)	3QFY13	2QFY13	% chg (qoq)	3QFY12	% chg (yoy)	% to total
Corporate	94,580	92,065	2.7	84,083	12.5	52.7
SME	25,295	23,628	7.1	20,692	22.2	14.1
Agri	11,561	12,153	(4.9)	10,700	8.0	6.4
Retail	48,068	44,286	8.5	33,264	44.5	26.8
- Housing	32,686	30,114	8.5	24,948	31.0	18.2
- Auto	5,768	5,757	0.2	4,324	33.4	3.2
- Others	9,614	8,414	14.3	3,992	140.8	5.4
Total advances	179,504	172,132	4.3	148,739	20.7	100.0

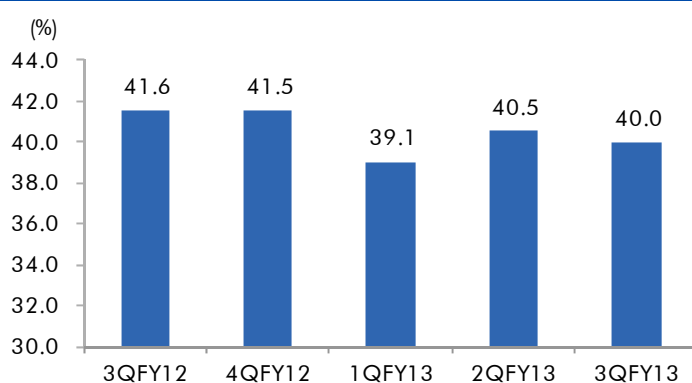
Source: Company, Angel Research

CASA deposits registered a moderate growth of 12.7% yoy, aided by a strong growth of 21.6% witnessed in savings deposits, even as growth in current deposits remained subdued at 2.0% yoy. On a daily average basis, the overall CASA deposits grew by 15% yoy, within which saving deposits grew by 18% yoy and current account deposits registered a moderate growth of 8% yoy.

Period-end CASA ratio moderated slightly by 50bp sequentially to 40%. On a daily average basis, the CASA ratio remained stable sequentially at 36%. The bank registered a 29% yoy growth in its retail term deposits franchise, which reflects its focus of building a stronger retail term deposits portfolio. As of 3QFY2013, retail term deposits constitute 39% (37% as of 3QFY2012) of total term deposits.

Exhibit 5: Average CASA deposits grew by 15% yoy


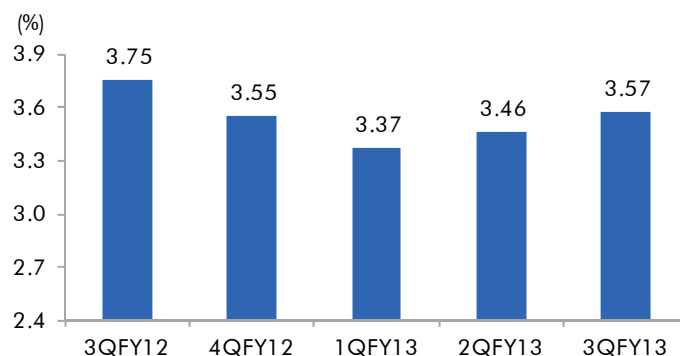
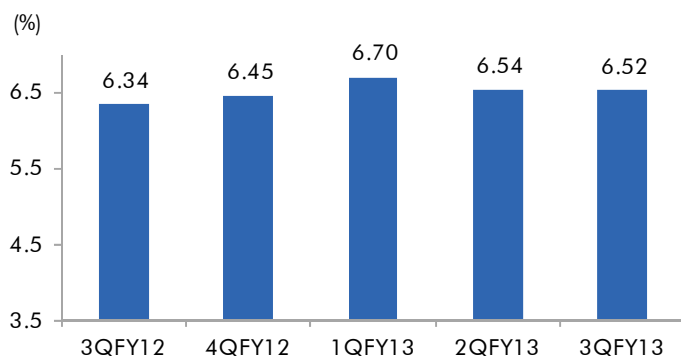
Source: Company, Angel Research

Exhibit 6: Period-end CASA ratio moderates to 40%


Source: Company, Angel Research

NIMs improve sequentially on improved yields

The bank's overall reported NIM for the quarter improved by 11bp qoq to 3.57%, largely on account of improvement in the yields, as decline in Costs of Funds was limited to 2bp. Change in asset mix towards higher yielding assets led to a 10bp improvement in yields for the bank to 10.86%.

Exhibit 7: Cost of funds stable sequentially in 3QFY13...
Exhibit 8: ...still NIMs improve 11bp qoq on higher yields


Source: Company, Angel Research

Source: Company, Angel Research

Moderate growth in non-interest income excluding treasury, largely aided by robust growth in fee income from Retail and Agri & SME segments

During 3QFY2013, growth in fee income for the bank remained healthy at 14.9% yoy, which was largely aided by robust growth in fee income from segments such as Retail and Agri & SME. Fee income from Retail and Agri & SME segments grew at 36.2% and 27.7% yoy, respectively which can be attributed to healthy loan book growth in these segments. On the other hand, corporate based fee income registered a decline of 2.0% yoy during 3QFY2013. Growth in fee income from the treasury segment came in healthy at 21.1% yoy.

Trading profits came in at ₹159cr during the quarter as against ₹207cr in 2QFY2013 (which included the proceeds of stake sale in Axis AMC). Overall, the non-interest income excluding trading profits registered a moderate growth of ~11% yoy during 3QFY2013.

Exhibit 9: Fee income grew at healthy pace on a yoy basis

Particulars (₹ cr)	3QFY13	2QFY13	% chg (qoq)	3QFY12	% chg (yoy)
Fee Income	1,405	1,343	4.6	1,223	14.9
Corporate	464	443	4.6	473	(2.0)
Treasury	281	295	(4.9)	232	21.1
Agri & SME	84	81	4.6	66	27.7
Business banking	112	94	19.6	109	3.1
Capital markets	14	13	4.6	13	8.1
Retail	450	416	8.0	330	36.2
Trading profit	159	207	(23.2)	118	35.3
Others	51	43	19.7	90	(43.2)
Other income	1,615	1,593	1.4	1,430	13.0
Other income excl. Treasury	1,456	1,386	5.1	1,312	11.0

Source: Company, Angel Research

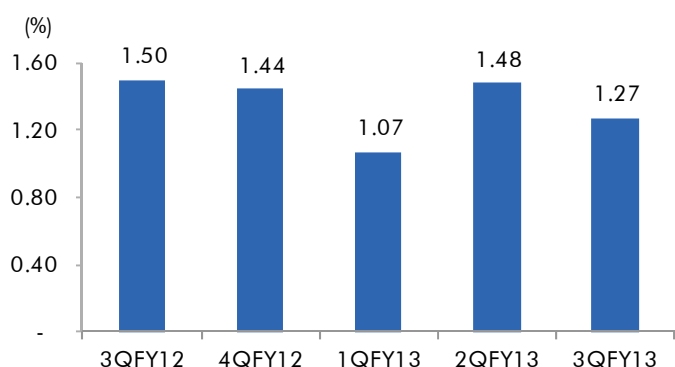
Sequentially, lower slippages and higher recoveries/upgrades result in stable NPA ratios

On the asset quality front, slippages for the bank during the quarter came in at ₹541cr, as against ₹628cr witnessed in 2QFY2013 (which included the chunky advance to Deccan Chronicle). In-line with the Management's guidance, slippages and restructuring taken together, have amounted to ~₹900cr in 3QFY2013 and ~₹2,900cr in 9MFY2013. Going ahead, the management expects a similar run rate in slippages and restructuring to continue for the next few quarters.

The bank reported improved sequential performance on the recoveries/upgrades front, which aided it to contain the increase in its gross and net NPA levels, on an absolute basis to around 3.8%. The gross and net NPA ratios remained stable sequentially at 1.1% and 0.33%, respectively.

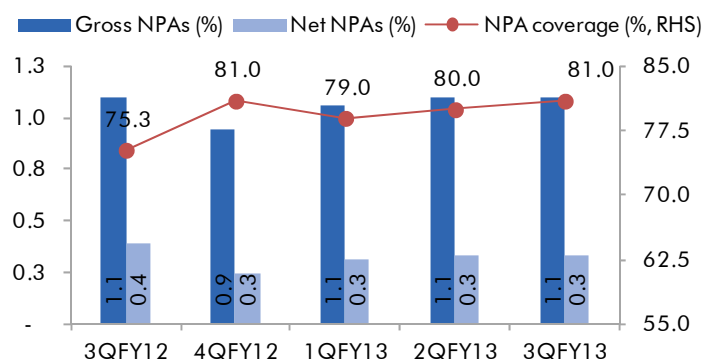
The bank reversed provisions of ₹35cr (made on account of investment depreciation) and used a part of it to provide for contingencies. The bank's provisioning coverage ratio (PCR) improved to 81.0% in 3QFY2013 from 80.0% in 2QFY2013. Additionally, the bank restructured advances worth ₹368cr during the quarter, thereby taking its total restructured book to ₹4,257cr.

Exhibit 10: Slippages Ratio lower sequentially...



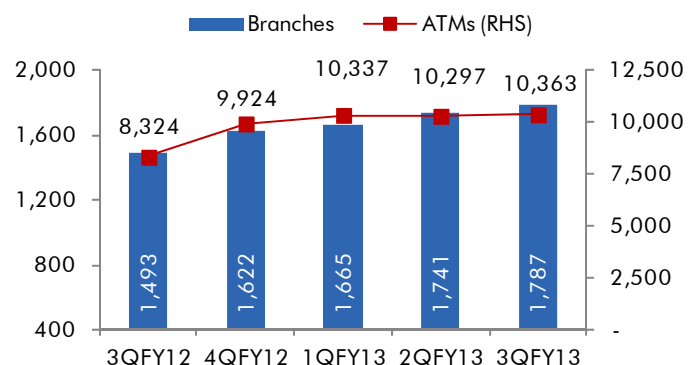
Source: Company, Angel Research

Exhibit 11: ...leading to sequentially stable NPA ratios



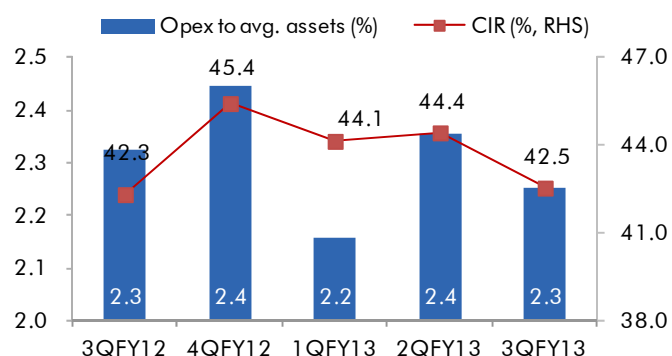
Source: Company, Angel Research; Note: PCR including tech. write-offs

Exhibit 12: Steady Network expansion continues



Source: Company, Angel Research;

Exhibit 13: Cost-to-income ratio moderates to 42.5%



Source: Company, Angel Research

Investment arguments

Branch expansion to support faster market share gains

We believe Axis Bank's reasonable capital adequacy positions it for market share gains with ~500bp higher growth than industry over FY2012–14. The bank has expanded its network at a 31.6% CAGR since FY2003–12, driving a four-fold increase in its CASA market share to 4.7% by FY2012. In our view, such gains will continue going forward as well, especially as network expansion (200-250 additions, about 15–20% yoy) remains healthy.

Fee income continues to drive higher RoEs

Axis Bank's fee income contribution across a spectrum of services has been a meaningful 1.9-2.0% of assets (almost twice the level in PSBs) over FY2009–12. Going forward, fee income growth is likely to at least mirror balance sheet growth. We have built in a CAGR of 12.8% over FY2012–14 in fee income, leading to a contribution of 1.8% of assets for both FY2013E and FY2014E.

Book-accretive dilution on cards in next 12-18 months

Axis Bank's tier-I capital adequacy has dipped to 8.8% as of 3QFY2013 (10.3% including 9MFY2013 profits) from 11.2% in FY2010 due to strong credit growth. Going forward also, we expect the management to meet its guidance of above system average loan growth. This is likely to result in a need to raise capital in the next 12–18 months, as per our calculations. (Axis Bank had last raised capital in 2QFY2010 when its tier-I CAR was 9.4%). The dilution is likely to be book-accretive and will aid in further enhancing the bank's credit market share going forward.

Outlook and valuation

Axis Bank's aggressive branch expansion (at a CAGR of ~30%) over FY2008–12 is expected to lead to further CASA market share gains for the bank. In FY2011, the bank added over 400 branches (an increase of 41.4% yoy), while in FY2012 the bank added 232 branches (an increase of 16.7% yoy). These branches are expected to contribute more meaningfully in FY2013 and FY2014 and aid in driving business and profitability growth for the bank.

Axis Bank is trading at 1.9x FY2014E ABV – more than 50% discount to HDFC Bank vs. an average discount of 35% over past five years (which we believe over-discounts asset quality concerns). We remain positive on the bank, owing to its attractive CASA franchise, multiple sources of sustainable fee income and reasonable growth outlook. **We maintain our Buy recommendation on the stock with a target price of ₹1,641.**

Exhibit 14: Key assumptions

Particulars (%)	Earlier estimates		Revised estimates	
	FY2013	FY2014	FY2013	FY2014
Credit growth	19.0	22.0	18.0	21.0
Deposit growth	21.0	22.0	19.0	21.0
CASA ratio	39.7	38.7	40.4	39.7
NIMs	3.1	3.2	3.2	3.2
Other income growth	18.5	11.1	17.8	11.3
Growth in staff expenses	18.0	18.9	17.0	18.9
Growth in other expenses	13.5	18.9	14.0	18.9
Slippages	1.5	1.4	1.5	1.4
Coverage ratio	80.0	80.0	80.0	80.0

Source: Angel Research

Exhibit 15: Change in estimates

Particulars (₹ cr)	FY2013			FY2014		
	Earlier estimates	Revised estimates	Var. (%)	Earlier estimates	Revised estimates	Var. (%)
NII	9,482	9,573	1.0	11,571	11,552	(0.2)
Non-interest income	6,421	6,386	(0.5)	7,137	7,108	(0.4)
Operating income	15,903	15,959	0.4	18,707	18,660	(0.3)
Operating expenses	6,912	6,910	(0.0)	8,218	8,217	(0.0)
Pre-prov. profit	8,991	9,049	0.6	10,489	10,443	(0.4)
Provisions & cont.	1,519	1,513	(0.4)	1,699	1,650	(2.9)
PBT	7,472	7,536	0.9	8,791	8,793	0.0
Prov. for taxes	2,424	2,445	0.9	2,852	2,853	0.0
PAT	5,048	5,091	0.9	5,939	5,940	0.0

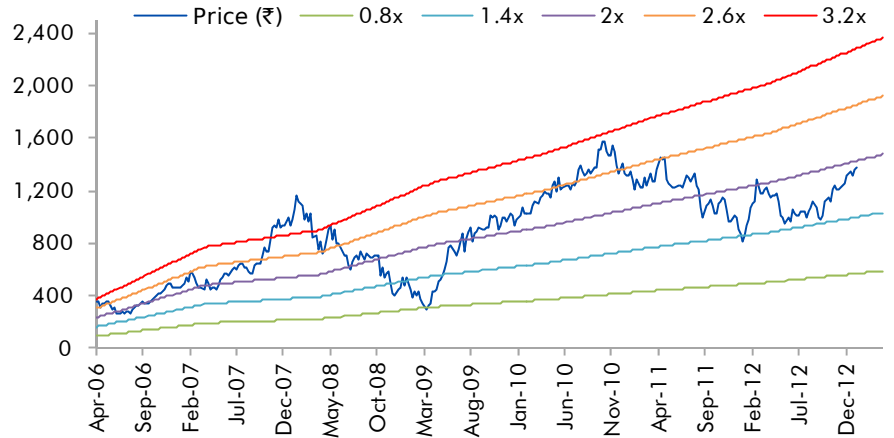
Source: Angel Research

Exhibit 16: Angel EPS forecast vs consensus

Year (₹)	Angel forecast	Bloomberg consensus	Var. (%)
FY2013E	116.8	116.5	0.3
FY2014E	138.0	137.7	0.2

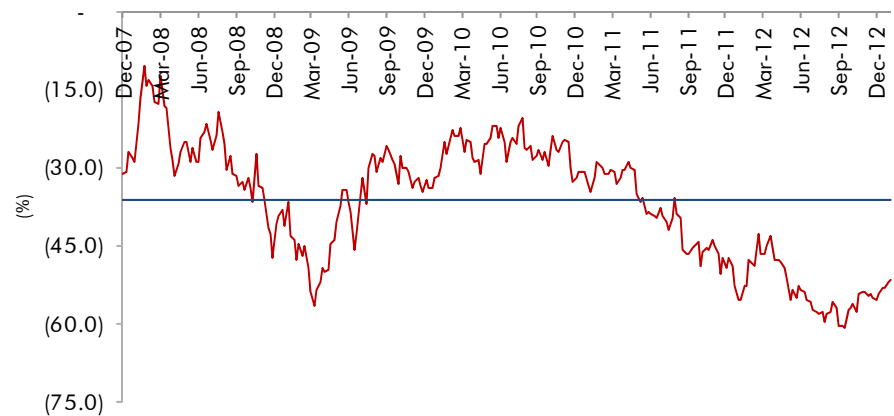
Source: Bloomberg, Angel Research

Exhibit 17: P/ABV band



Source: Company, Angel Research

Exhibit 18: Discount to HDFC Bank (%)



Source: Company, Angel Research

Exhibit 19: Recommendation summary

Company	Reco.	CMP (₹)	Tgt. price (₹)	Upside (%)	FY2014E P/ABV (x)	FY2014E Tgt. P/ABV (x)	FY2014E P/E (x)	FY2011-14E EPS CAGR (%)	FY2014E RoA (%)	FY2014E RoE (%)
AxisBk	Buy	1,422	1,641	15.4	1.91	2.2	10.2	16.4	1.6	20.1
FedBk	Accumulate	525	576	9.7	1.28	1.4	10.2	6.7	1.1	13.2
HDFCBk	Neutral	669	-	-	3.77	-	18.6	27.7	1.9	22.0
ICICIBk*	Buy	1,203	1,397	16.1	1.93	2.2	14.5	21.6	1.5	15.6
SIB	Buy	29	34	16.0	1.21	1.4	7.2	6.9	1.0	17.7
YesBk	Accumulate	528	576	9.1	2.66	2.9	12.4	24.1	1.5	23.6
AllBk	Accumulate	187	199	6.5	0.80	0.9	5.6	(5.2)	0.8	14.6
AndhBk	Neutral	125	-	-	0.84	-	5.6	(3.5)	0.8	14.2
BOB	Neutral	877	-	-	1.02	-	6.4	6.5	1.0	17.1
BOI	Neutral	385	-	-	0.98	-	6.0	17.2	0.8	15.9
BOM	Accumulate	60	64	7.0	0.75	0.8	5.0	38.7	0.7	16.1
CanBk	Neutral	523	-	-	0.96	-	6.5	4.1	0.8	14.7
CentBk	Neutral	92	-	-	0.79	-	4.3	102.0	0.6	14.8
CorpBk	Accumulate	482	551	14.2	0.74	0.8	4.8	(3.1)	0.8	14.8
DenaBk	Accumulate	122	132	7.8	0.74	0.8	5.1	2.6	0.8	15.6
IDBI#	Neutral	115	-	-	0.72	-	5.2	17.8	0.9	13.9
IndBk	Buy	214	252	17.8	0.76	0.9	5.0	4.4	1.1	16.8
IOB	Accumulate	92	98	6.5	0.61	0.7	4.5	24.3	0.6	13.3
J&KBk	Neutral	1,359	-	-	1.16	-	6.9	9.2	1.4	18.0
OBC	Accumulate	346	369	6.6	0.75	0.8	5.3	29.0	0.9	14.4
PNB	Neutral	901	-	-	0.97	-	5.5	6.9	1.0	17.3
SBI*	Neutral	2,489	-	-	1.61	-	9.7	21.5	1.0	17.7
SynBk	Accumulate	144	158	10.0	0.82	0.9	5.3	11.6	0.7	16.4
UcoBk	Neutral	85	-	-	0.97	-	5.7	2.6	0.5	13.5
UnionBk	Accumulate	269	286	6.1	0.94	1.0	5.8	20.5	0.8	16.4
UtdBk	Accumulate	80	90	12.5	0.58	0.7	3.7	19.6	0.7	16.1
VijBk	Neutral	65	-	-	0.79	-	6.3	7.0	0.5	12.1

Source: Company, Angel Research; Note: *Target multiples=SOTP Target Price/ABV (including subsidiaries), #Without adjusting for SASF

Company Background

Axis Bank is India's third-largest private sector bank after ICICI Bank and HDFC Bank. The bank was promoted by government institutions, led by UTI (SUUTI holds 23.5% stake currently, which will eventually be divested). The bank has an extensive network of 1,787 branches and 10,363 ATMs spread across 1,139 centers (~58% in metro and urban regions). The bank's strong growth has been backed by robust retail branch expansion, strong corporate relationships and a wide range of fee income products.

Income statement (Standalone)

Y/E March (₹ cr)	FY08	FY09	FY10	FY11	FY12	FY13E	FY14E
Net Interest Income	2,585	3,686	5,004	6,563	8,018	9,573	11,552
- YoY Growth (%)	65.0	42.6	35.8	31.1	22.2	19.4	20.7
Other Income	1,795	2,834	3,946	4,632	5,420	6,386	7,108
- YoY Growth (%)	77.7	57.8	39.2	17.4	17.0	17.8	11.3
Operating Income	4,381	6,520	8,950	11,195	13,438	15,959	18,660
- YoY Growth (%)	70.0	48.8	37.3	25.1	20.0	18.8	16.9
Operating Expenses	2,155	2,858	3,710	4,779	6,007	6,910	8,217
- YoY Growth (%)	77.4	32.6	29.8	28.8	25.7	15.0	18.9
Pre - Provision Profit	2,226	3,662	5,241	6,416	7,431	9,049	10,443
- YoY Growth (%)	63.4	64.5	43.1	22.4	15.8	21.8	15.4
Prov. & Cont.	579	877	1,389	1,280	1,143	1,513	1,650
- YoY Growth (%)	58.2	51.3	58.5	(7.9)	(10.7)	32.3	9.1
Profit Before Tax	1,646	2,785	3,851	5,136	6,288	7,536	8,793
- YoY Growth (%)	65.3	69.2	38.3	33.3	22.4	19.9	16.7
Prov. for Taxation	575	970	1,337	1,747	2,046	2,445	2,853
- as a % of PBT	35.0	34.8	34.7	34.0	32.5	32.4	32.4
PAT	1,071	1,815	2,515	3,388	4,242	5,091	5,940
- YoY Growth (%)	62.5	69.5	38.5	34.8	25.2	20.0	16.7

Balance sheet (Standalone)

Y/E March (₹ cr)	FY08	FY09	FY10	FY11	FY12	FY13E	FY14E
Share Capital	358	359	405	411	413	427	427
Reserve & Surplus	8,411	9,855	15,639	18,588	22,395	26,899	31,474
Deposits	87,626	117,374	141,300	189,238	220,104	261,924	316,928
- Growth (%)	49.1	33.9	20.4	33.9	16.3	19.0	21.0
Borrowings	5,624	10,185	10,014	19,275	23,498	27,768	33,256
Tier 2 Capital	3,429	5,334	7,156	6,993	10,574	10,310	10,052
Other Liab. & Prov.	4,130	4,613	6,134	8,209	8,643	10,203	12,108
Total Liabilities	109,578	147,721	180,648	242,713	285,628	337,531	404,245
Cash Balances	7,306	9,419	9,482	13,886	10,703	11,787	12,677
Bank Balances	5,199	5,598	5,722	7,522	3,231	3,818	4,573
Investments	33,705	46,330	55,975	71,992	93,192	111,359	132,429
Advances	59,661	81,557	104,341	142,408	169,760	200,316	242,383
- Growth (%)	61.8	36.7	27.9	36.5	19.2	18.0	21.0
Fixed Assets	923	1,073	1,222	2,273	2,259	2,590	3,009
Other Assets	2,785	3,744	3,906	4,632	6,483	7,661	9,175
Total Assets	109,578	147,721	180,648	242,713	285,628	337,531	404,245
- Growth (%)	49.6	34.8	22.3	34.4	17.7	18.2	19.8

Ratio analysis (Standalone)

Y/E March	FY08	FY09	FY10	FY11	FY12	FY13E	FY14E
Profitability ratios (%)							
NIMs	2.9	3.0	3.1	3.2	3.1	3.2	3.2
Cost to Income Ratio	49.2	43.8	41.4	42.7	44.7	43.3	44.0
RoA	1.2	1.4	1.5	1.6	1.6	1.6	1.6
RoE	17.6	19.1	19.2	19.3	20.3	20.3	20.1
B/S ratios (%)							
CASA Ratio	45.7	43.1	46.7	41.1	41.5	40.4	39.7
Credit/Deposit Ratio	68.1	69.5	73.8	75.3	77.1	76.5	76.5
CAR	13.7	13.7	15.8	12.7	13.7	13.2	12.4
- Tier I	10.2	9.3	11.2	9.4	9.4	9.6	9.4
Asset Quality (%)							
Gross NPAs	0.8	1.1	1.3	1.1	1.1	1.3	1.4
Net NPAs	0.4	0.4	0.4	0.3	0.3	0.3	0.4
Slippages	1.0	1.5	2.2	1.4	1.3	1.5	1.4
Loan Loss Prov. /Avg. Assets	0.4	0.6	0.8	0.5	0.3	0.5	0.4
Provision Coverage	49.8	63.6	72.4	80.9	81.0	80.0	80.0
Per Share Data (₹)							
EPS	29.9	50.6	62.1	82.5	102.7	119.2	139.0
ABVPS (75% cover.)	241.6	281.6	393.8	462.5	551.5	639.5	745.8
DPS	6.0	10.0	12.0	14.0	16.0	23.5	27.5
Valuation Ratios							
PER (x)	47.5	28.1	22.9	17.2	13.9	11.9	10.2
P/ABVPS (x)	5.9	5.1	3.6	3.1	2.6	2.2	1.9
Dividend Yield	0.4	0.7	0.8	1.0	1.1	1.7	1.9
DuPont Analysis							
NII	2.8	2.9	3.0	3.1	3.0	3.1	3.1
(-) Prov. Exp.	0.6	0.7	0.8	0.6	0.4	0.5	0.4
Adj. NII	2.2	2.2	2.2	2.5	2.6	2.6	2.7
Treasury	0.2	0.2	0.4	0.2	0.0	0.2	0.1
Int. Sens. Inc.	2.4	2.4	2.7	2.7	2.6	2.8	2.8
Other Inc.	1.7	2.0	2.0	2.0	2.0	1.8	1.8
Op. Inc.	4.2	4.4	4.6	4.7	4.7	4.6	4.6
Opex	2.4	2.2	2.3	2.3	2.3	2.2	2.2
PBT	1.8	2.2	2.3	2.4	2.4	2.4	2.4
Taxes	0.6	0.8	0.8	0.8	0.8	0.8	0.8
RoA	1.2	1.4	1.5	1.6	1.6	1.6	1.6
Leverage	15.0	13.6	12.5	12.1	12.6	12.4	12.5
RoE	17.6	19.1	19.2	19.3	20.3	20.3	20.1

Research Team Tel: 022 - 39357800

 E-mail: research@angelbroking.com

 Website: www.angelbroking.com

DISCLAIMER

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

Angel Broking Limited, its affiliates, directors, its proprietary trading and investment businesses may, from time to time, make investment decisions that are inconsistent with or contradictory to the recommendations expressed herein. The views contained in this document are those of the analyst, and the company may or may not subscribe to all the views expressed within.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Angel Broking Limited or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Angel Broking Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While Angel Broking Limited endeavours to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.

Angel Broking Limited and its affiliates may seek to provide or have engaged in providing corporate finance, investment banking or other advisory services in a merger or specific transaction to the companies referred to in this report, as on the date of this report or in the past.

Neither Angel Broking Limited, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.

Note: Please refer to the important 'Stock Holding Disclosure' report on the Angel website (Research Section). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. Angel Broking Limited and its affiliates may have investment positions in the stocks recommended in this report.

Disclosure of Interest Statement

Axis Bank

1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹ 1 lakh for Angel, its Group companies and Directors

Ratings (Returns):

Buy (> 15%)

Reduce (-5% to -15%)

Accumulate (5% to 15%)

Sell (< -15%)

Neutral (-5 to 5%)