

Karur Vysya Bank (KVB IN)

Q2FY27 Result Update

October 16, 2026

☒ Estimate Change | ☒ Target | ☐ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	BUY		BUY	
Target Price	380		345	
NII (INR. mn)	68,784	81,058	68,435	79,839
% Chng.	0.5	1.5		
Op. Profit (INR mn)	51,460	58,842	52,927	60,825
% Chng.	(2.8)	(3.3)		
EPS (INR)	34.6	39.5	34.8	40.3
% Chng.	(0.6)	(2.0)		

Key Data

KARU.BO | KVB IN

BSE Code	590003
NSE Code	KARURVYSYA
52-W High / Low	INR 358 / INR 220
Face Value	2
Sensex / Nifty	74,316 / 22,997
Market Cap	INR 334 bn / \$ 3,514 mn
Shares Outstanding	966.36 mn
3M Avg. Daily Value	INR 1,257.81 mn

Shareholding Pattern (%)

Promoters	2.07
FIs	17.92
Mutual Funds	32.43
Domestic Institutions	8.79
Public & Others	38.79
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	6.5	13.2	23.5	55.3
Relative	6.1	17.6	29.8	72.7

Key Financials - Standalone

Y/e Mar	FY26	FY27E	FY28E	FY29E
NII (INR mn)	49,385	58,614	68,784	81,058
NIM (%)	4.0	4.0	4.0	4.0
Core PPOP (INR mn)	36,635	42,184	48,100	55,482
PAT (INR mn)	25,103	30,356	33,491	38,221
Core PAT (INR mn)	20,551	28,114	30,971	35,701
EPS (INR)	26.0	31.4	34.6	39.5
Gr. (%)	29.2	20.9	10.3	14.1
DPS (INR)	2.6	3.5	3.8	4.3
Yield (%)	1.0	1.0	1.1	1.3
RoAE (%)	19.3	19.6	18.1	17.5
Core RoAE (%)	15.8	18.2	16.8	16.3
RoAA (%)	2.0	2.0	1.9	1.8
Core RoAA (%)	1.6	1.9	1.8	1.7
P/BV (x)	1.7	2.0	1.7	1.4
P/ABV (x)	1.8	2.0	1.7	1.4
PE (x)	9.7	11.0	10.0	8.7
CAR (%)	18.8	18.8	19.6	20.5

Gold loan portfolio protecting asset quality

Quick Pointers

- Stable quarter; core PPOP in-line, asset quality was better
- Loan growth for FY27 guided to be 18-20%; could be higher
- We reduce fees that would be offset by lower provisions

KVB saw a steady quarter as core PPOP was in-line. Loan growth was healthy at 6.6% QoQ mainly led by offtake in commercial/corporate. Bank sees no major stress in gold loans, supported by a digitized and central margin-call mechanism. KVB guided a loan growth of 18-20%; it could be higher (we see 22%). We are optimistic about KVB; while TWO recoveries are reducing, the bank has de-risked its business model given the increased share of gold over the last 2 years. This would imply lower recoveries that would be offset by lesser slippage/credit costs. We keep multiple at 1.7x but increase TP to INR380 from INR345 as we roll forward to Sep'28 ABV. Retain 'BUY'.

Stable quarter with core PPOP in-line: NII was a 2% beat at INR14.7bn (PLe INR14.4bn) due to higher NIM (calc.) led by better use of liquidity. Loan/deposit accretion were in-line at 20.4%/16.0% YoY. CASA ratio was 27.5%; LDR was 86.6% (+173bps QoQ). Other income was lower at INR4.3bn (PLe INR5.1bn) due to lower TWO recovery and treasury; fee was 2% higher at INR2.9bn. Opex at INR7.7bn was 2.5% lower due to other opex. Core PPOP at INR10.7bn was in-line; PPOP was INR11.6bn. Asset quality improved QoQ due to lower gross slippage, at INR 1.2bn (PLe INR1.7bn) and better recovery at INR0.8bn (PLe INR0.7bn). Provisions were lower at INR1.2bn (PLe INR1.8bn); floating provision of INR250mn was created. Core PAT was 6.7% ahead at INR7.2bn while PAT was INR7.9bn.

Broad based loan growth; guidance remains conservative: Loan growth at 6.6% QoQ was healthy, led by CoB (8.1%), corporate (11.5%); retail/agri growth was 4.5%/4.0%. WC utilization remains stable at 76-79%, with limited capex appetite amid geopolitical uncertainties, US tariffs and subdued export demand, particularly in textiles. Commercial growth was seen in sectors like engineering, trade, CRE, metal, textiles, and transport operators. Within corporate, demand was seen in EPC, CRE, infrastructure, textiles and capital markets. Retail accretion was led by mortgages; housing growth remains subdued as the bank is unwilling to match aggressive competitor pricing. Retail jewel loans declined by ~1% QoQ as pricing was not reduced to focus on calibrated growth.

NIM to remain steady: NIM for FY27 is guided at 4%+ as moderation is expected due to limited repricing benefits in gold loans, corporate advances and pricing pressure; EBLR linked repricing would provide some respite. Bank aims to offset the impact of proposed IRDAI guidelines by increasing penetration from 1.6% to 3.8-3.9%, optimizing product mix and leveraging customer analytics to improve geographically skewed penetration.

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	% Var.	Q2'26A	YoY gr. (%)
NII (INR mn)	14,422	14,690	1.9	11,222	30.9
Margin (%)	4.2	4.3	12 bps	3.8	50 bps
Core PPOP (INR mn)	10,758	10,710	(0.4)	7,761	38.0
Core PAT (INR mn)	6,737	7,189	6.7	3,875	85.5

Source: Company, PL

Gaurav Jani
gauravjani@plindia.com | +91-22-66322235

Adarsh Shetty
adarshshetty@plindia.com | +91-22-66322257

Tarang Nandwana
tarangnandwana@plindia.com | +91-22-66322565

Q2FY27 Conference Call highlights

Balance sheet

- Overall advances grew by 6.6% QoQ (+20% YoY). Credit growth for FY27 guided at 18-20%. Deposits grew by 4.5% QoQ driven by gains in both RTD and CASA.
- Commercial grew by 8.1% QoQ (+18.7% YoY) driven by higher disbursements in small business group and business banking group, with growth led predominantly by the sectors like engineering, trade, CRE, metal, textiles, and transport operators. Small business group RM model is gaining momentum.
- WC utilisation remains stable at 76-79%, with limited capex appetite amid geopolitical uncertainties, US tariffs and subdued export demand, particularly in textiles.
- Retail advances increased by 4.5% QoQ, driven by growth in mortgage loans. Housing loan growth remains subdued as the bank is unwilling to match aggressive competitor pricing that could compress yields. Within mortgages, the bank prioritised profitability by avoiding the repricing of existing loans to retain customers.
- Retail jewel loans declined by ~1% QoQ as the bank did not reduce the pricing in retail jewel loan segment to have a more calibrated growth.
- Agri portfolio grew 4% QoQ led by (i) increase in oil prices due to Gulf market crisis and (ii) moderation in agri commodity prices. Overall outlook remains neutral for agri portfolio given favorable monsoon expectation. Agri jewel loans constituted 92% of the portfolio, with LTV maintained at 67%.
- Agri gold loans are priced at 10.75%, while retail gold loans at ~14%, subject to borrower profile. Management is cautious about further rate hikes given competitive pressures and customer attrition.
- Overall jewel loan portfolio of the bank stood at INR321.5bn (29% of advances). Bank aims to cap gold exposure at 35%. KVB is deliberately reducing vehicle finance exposure due to low yields, high dealer commissions, elevated delinquencies and 150% risk weights.
- Corporate book grew by 11.5% QoQ; demand was seen in EPC, infrastructure, CRE, capital market participants, and selective capex in textiles and NBFCs. Avg. ticket size remained under 420mn.
- CASA grew by 4.4% QoQ to INR352bn supported by strong traction in operating accounts and transaction banking relationships. Existing customers contributed ~60% of the incremental CASA growth.
- Bank mobilized FCNR(B) deposits of INR6.8bn, with no leverage provided against these deposits as the Bank does not have an overseas branch.
- LCR stood at 129% and is expected to be maintained in the range 115-120%.
- EBLR book increased from 55% to 57% while the fixed rate loan book remained at 34%, and MCLR-linked book reduced from 9% to 7%.
- Bank opened 20 branches in H1FY27, and plans to 50 branches in FY27 with focus on South India, followed by Maharashtra and Gujarat.
- Board has constituted a search committee to appoint the MD's successor, considering both internal and external candidates. Management expects sufficient overlap for a smooth transition; no additional executive director is currently being considered.

Profit & loss

- NIM (reported) was stable QoQ at 4.26% (4.34% incl. one-off recovery) while NIM for FY27 is guided at 4%+ as moderation is expected due to limited repricing benefits on gold loans, lower-yielding corporate advances and competitive pricing pressure; repricing of the EBLR book should provide some offset.
- Cost of deposits increased by 4bps QoQ to 5.49% in Q2FY27 driven by effect of revision of deposit rates in Q1FY27 by the Bank. Funding costs are likely to remain under upward pressure due to RBI's policy tightening, liquidity absorption, and competition for deposits. However, immediate pressure may not be on the bank due to increase in deposit rates as strong FCNR flows still feeding a credit growth.
- Yield on investments dropped marginally by 4bps QoQ to 6.79% from 6.83% which is attributable to investment mix and MF investment made during Q2 whose returns are computed through NAV appreciation and does not form part of interest income.
- Employee cost was flat QoQ at INR4bn as 40bps increase in discount rates lowered AS-15 provisioning cost which was offset by 8% increase in salary cost due to DA increase and ESOP provisions.
- ROA for FY27 guided to be above 2%.
- Management expects the proposed IRDAI guidelines to impact bancassurance income, with life insurance commissions declining by 60-70%. However, the bank aims to offset the impact by increasing penetration from 1.6% to 3.8-3.9%, optimising product mix across protection, health, property and underserved segments, and leveraging customer analytics to improve geographically skewed penetration.
- Management highlighted reduced reliance on non-core income, with treasury contribution at 0.06% of assets and write-off recoveries declining to 0.21% in Q2. Despite potential moderation in recoveries, the bank expects support from its INR25bn recovery pool which will support ~2% ROA.
- Recoveries from written off accounts stood at INR820bn in Q2FY27.

Asset quality

- During the quarter, bank provided INR250mn as floating provisions, resulting in a credit cost of 0.43% on an annualized basis. Buffer provisions remain adequate to cover the impact of ECL.
- GNPA declined marginally by 5bps to 0.69% owing to reduced slippages, improved recoveries, and upgrades as well as write-offs. Slippage ratio guided to be below 1% levels.
- Management indicated no significant stress in the gold loan portfolio, supported by a digitised, centralised margin-call mechanism that triggers top-ups or auctions to maintain LTV within acceptable levels.

Exhibit 1: Core PPoP in-line; PAT beat led by lower provisions

P&L Statement (INRm)	Q2FY27	Q2FY26	YoY gr. (%)	Q2FY27E	% Var.	Q1FY27	QoQ gr. (%)
Interest Income	32,071	26,690	20.2	31,706	1.2	30,248	6.0
Interest Expended	17,380	15,468	12.4	17,284	0.6	16,267	6.8
Net interest income (NII)	14,690	11,222	30.9	14,422	1.9	13,981	5.1
Other income	4,348	5,123	-15.1	5,075	-14.3	4,418	-1.6
-Fee income	2,900	2,530	14.6	2,835	2.3	2,700	7.4
-Other non interest income	1,448	2,593	-44.2	2,240	-35.4	1,718	-15.7
Total income	19,038	16,345	16.5	19,497	-2.4	18,399	3.5
Operating expenses	7,700	7,561	1.8	7,899	-2.5	7,689	0.1
-Staff expenses	3,989	3,651	9.2	3,833	4.1	3,993	-0.1
-Other expenses	3,711	3,910	-5.1	4,066	-8.7	3,697	0.4
Operating profit	11,622	10,174	14.2	11,598	0.2	10,956	6.1
Core Operating Profit	10,710	7,761	38.0	10,758	-0.4	10,022	6.9
Total provisions	1,185	2,744	-56.8	1,775	-33.2	903	31.3
Profit before tax	10,437	7,430	40.5	9,823	6.3	10,053	3.8
Tax	2,560	1,691	51.4	2,456	4.2	2,496	2.6
Profit after tax	7,877	5,740	37.2	7,367	6.9	7,557	4.2
Balance Sheet (Rs m)							
Deposits	12,81,233	11,04,916	16.0	12,81,230	0.0	12,25,870	4.5
Advances	11,10,152	9,21,849	20.4	11,09,677	0.0	10,40,990	6.6
Ratios (%)							
NIM	4.3	3.8	48.6 bps	4.2	11.5 bps	4.3	3.8 bps
RoaA	2.2	1.9	35.1 bps	2.1	16.2 bps	2.2	0.2 bps
RoaE	22.4	19.4	297.8 bps	20.7	162.2 bps	22.1	27.2 bps
Asset Quality							
Gross NPL (Rs m)	7,654	7,078	8.1	7,626	0.4	7,719	-0.8
Net NPL (Rs m)	1,986	1,758	13.0	1,907	4.2	1,958	1.5
Gross NPL ratio	0.69	0.76	-7.7 bps	0.68	0.2 bps	0.74	-5.1 bps
Net NPL ratio	0.18	0.19	-1.2 bps	0.17	0.7 bps	0.19	-0.9 bps
Coverage ratio (Calc)	74.1	75.2	-112.0 bps	75.0	-95.0 bps	74.6	-58.9 bps
Business & Other Ratios							
Low-cost deposit mix	27.5	27.7	-12.9 bps	27.5	0.0 bps	27.6	-2.8 bps
Cost-income ratio	40.4	46.3	-581.6 bps	40.5	-7.2 bps	41.8	-134.9 bps
Non int. inc / total income	22.8	31.3	-850.5 bps	26.0	-319.1 bps	24.0	-117.3 bps
Credit deposit ratio	86.6	83.4	321.6 bps	86.6	3.7 bps	84.9	172.9 bps
Capital Adequacy Ratio	18.0	16.6	139.0 bps			18.6	-64.0 bps
Tier-I	17.3	15.6	174.0 bps			18.0	-66.0 bps

Source: Company, PL

Exhibit 2: Quarterly Estimates

(INRmn)	Q1FY27	YoY gr. (%)	Q2FY27	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
NII	13,981	29.5	14,690	30.9	14,853	19.9	15,090	12.9
Core PPOP	10,022	45.8	10,710	38.0	10,807	14.8	10,645	-0.4
NIM (%)	4.3	46.3 bps	4.3	48.6 bps	4.2	13.2 bps	4.2	-15.8 bps
Core PAT	6,855	58.8	7,189	85.5	7,172	11.9	7,020	18.0

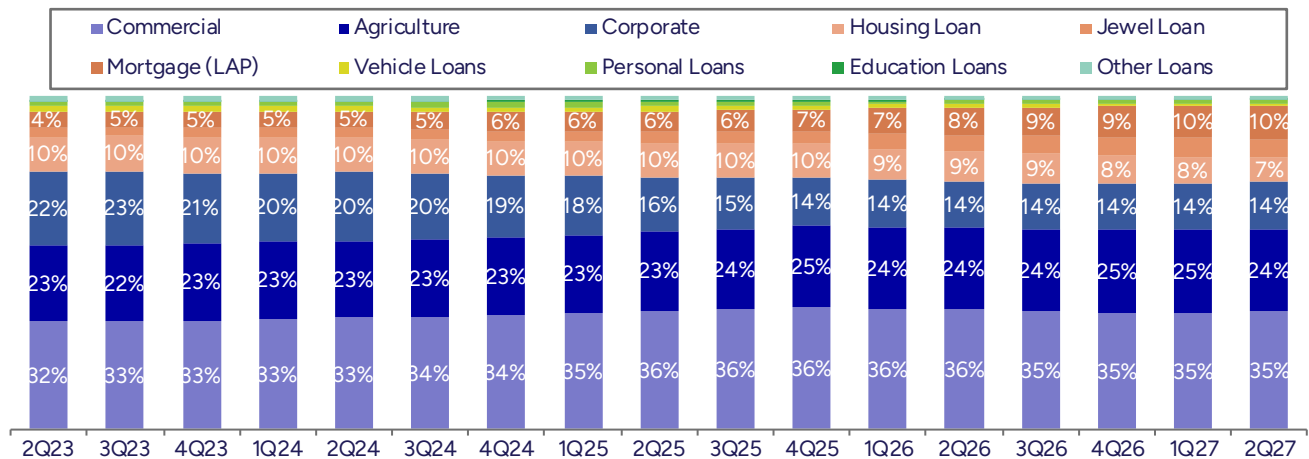
Source: Company, PL

Exhibit 3: Loan growth at 6.6% QoQ was healthy, led by CoB (8.1%), corporate (11.5%)

Advances break-up (INR mn)	Q2FY27	Q2FY26	YoY gr. (%)	Q1FY27	QoQ gr. (%)
Commercial	3,94,070	3,32,090	18.7	3,64,590	8.1
Agriculture	2,71,450	2,26,140	20.0	2,60,950	4.0
Corporate	1,60,130	1,28,780	24.3	1,43,560	11.5
Housing Loan	81,230	82,890	(2.0)	81,200	0.0
Jewel Loan	61,930	48,000	29.0	62,520	(0.9)
Mortgage (LAP)	1,12,640	74,130	51.9	1,00,410	12.2
Vehicle Loans	7,280	9,290	(21.6)	7,750	(6.1)
Personal Loans	10,610	11,550	(8.1)	10,620	(0.1)
Education Loans	1,260	1,480	(14.9)	1,280	(1.6)
Other Loans	15,300	12,890	18.7	13,920	9.9
Total Advances	11,15,890	9,27,240	20.3	10,46,800	6.6

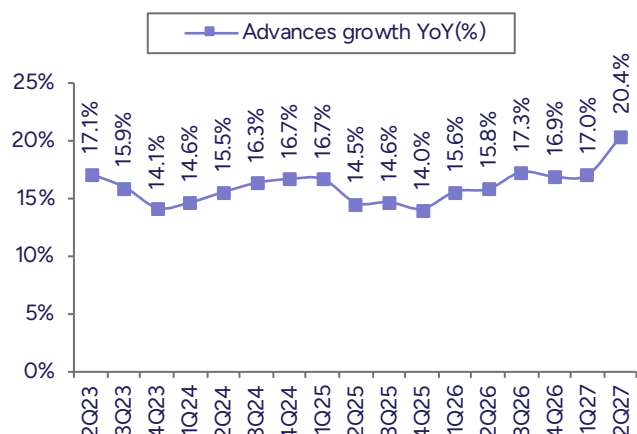
Source: Company, PL

Exhibit 4: Commercial book maintained dominant share at 35%, RAM:Corporate mix at 86:14



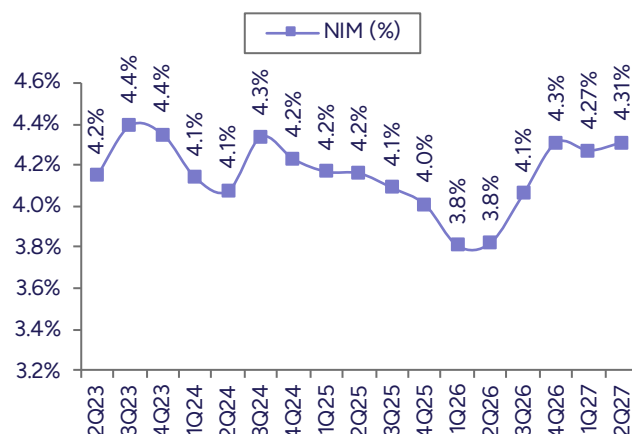
Source: Company, PL

Exhibit 5: Advances growth at 20% YoY



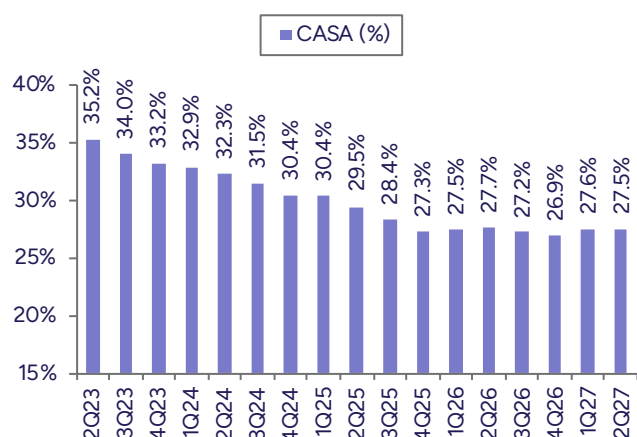
Source: Company, PL

Exhibit 6: NIMs (cal.) improved by 4bps to 4.31%



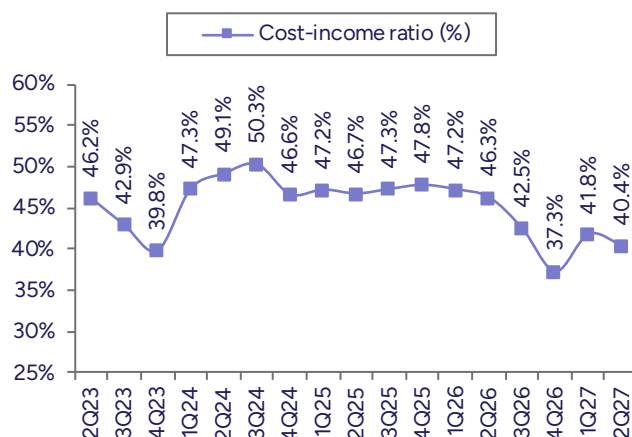
Source: Company, PL

Exhibit 7: CASA mix stable at 27.5%



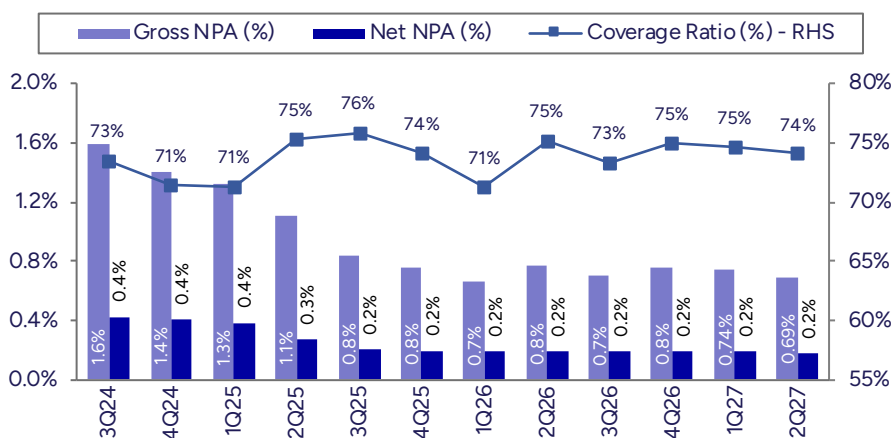
Source: PL, Company

Exhibit 8: C/I declined to 40.4%



Source: PL, Company

Exhibit 9: GNPA improved by 5bps QoQ to 0.69%, while PCR declined to 74%



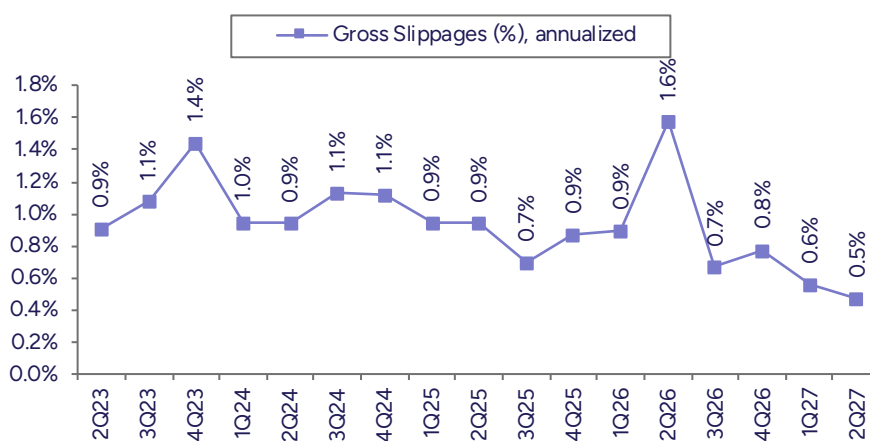
Source: Company, PL

Exhibit 10: Slippages declined sequentially to 0.5%

Movement in NPL	Q2FY27	Q2FY26	YoY gr. (%)	Q1FY27	QoQ gr. (%)
Opening	7,720	5,930	30.2	7,440	3.8
Additions	1,230	3,500	-64.9	1,380	-10.9
Reductions	1,290	2,350	-45.1	1,100	17.3
Closing GNPA	7,660	7,080	8.2	7,720	-0.8
Slippages %	0.5	1.7	-116.6 bps	0.6	-12.0 bps

Source: Company, PL

Exhibit 11: Gross slippages (annualized) declined to 0.5%



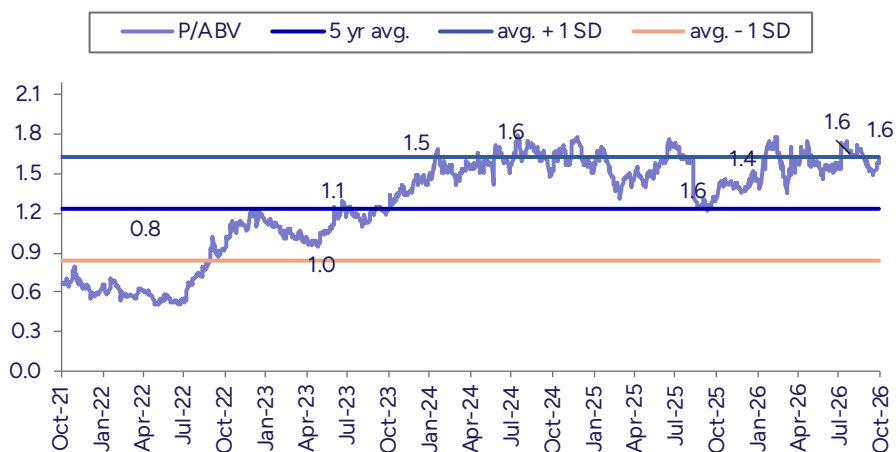
Source: Company, PL

Exhibit 12: Return ratios to range around 17.5-19.5%

Du-pont Analysis	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
NII/Assets	3.5	3.9	3.9	3.8	3.9	3.9	3.9	3.9
Other inc./Assets	1.0	1.4	1.7	1.6	1.6	1.3	1.1	1.0
Net revenues/Assets	4.5	5.3	5.6	5.4	5.5	5.2	5.0	4.9
Opex/Assets	2.4	2.4	2.7	2.6	2.3	2.2	2.1	2.1
Provisions/Assets	0.9	1.2	0.7	0.6	0.6	0.3	0.4	0.4
Taxes/Assets	0.3	0.4	0.5	0.6	0.6	0.7	0.6	0.6
ROA (%)	0.9	1.3	1.6	1.7	2.0	2.0	1.9	1.8
ROE (%)	9.3	13.7	17.2	17.7	19.3	19.6	18.1	17.5

Source: Company, PL

Exhibit 13: On one-year forward basis, KVB trades at 1.6x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Income Statement (INR m)								
Interest earned	24,860	25,159	25,686	26,690	27,942	28,820	30,248	32,071
Interest expended	14,072	14,267	14,892	15,468	15,549	15,449	16,267	17,380
Net Interest Income	10,788	10,893	10,794	11,222	12,393	13,371	13,981	14,690
Other income	4,674	5,093	4,473	5,123	5,090	6,158	4,418	4,348
Fees	2,340	2,640	2,510	2,530	2,660	2,800	2,700	2,900
Total Income	15,462	15,986	15,266	16,345	17,482	19,529	18,399	19,038
Operating Expenses	7,310	7,636	7,211	7,561	7,429	7,278	7,689	7,700
Employees	3,738	3,849	3,649	3,651	3,632	3,408	3,993	3,989
Others	3,571	3,787	3,562	3,910	3,796	3,871	3,697	3,711
Operating profit	8,153	8,350	8,055	10,174	10,053	12,468	10,956	11,622
Core PPOp	7,568	7,716	6,873	7,761	9,414	10,693	10,022	10,710
Provisions	1,474	1,614	1,181	2,744	1,048	2,577	903	1,185
Profit before tax	6,678	6,736	6,874	7,430	9,006	9,891	10,053	10,437
Taxes	1,718	1,602	1,659	1,691	2,106	2,641	2,496	2,560
Net Profit	4,960	5,134	5,215	5,740	6,900	7,250	7,557	7,877
Core PAT	4,526	4,651	4,317	3,875	6,410	5,949	6,855	7,189
Balance Sheet (INR m)								
Share capital	1,610	1,610	1,610	1,933	1,930	1,933	1,930	1,933
Reserves & surplus	112,310	117,685	122,850	126,031	132,800	139,145	147,390	151,996
Deposits	991,550	1,020,780	1,066,500	1,104,916	1,145,950	1,156,657	1,225,870	1,281,233
Borrowings	15,630	12,170	18,430	25,166	30,310	26,226	20,770	23,209
Other liabilities	42,630	41,429	44,320	42,945	44,680	42,069	47,680	49,936
Total liabilities	1,163,730	1,193,674	1,253,710	1,300,990	1,355,670	1,366,031	1,443,640	1,508,307
Cash & bank	53,870	78,067	72,660	62,058	51,170	53,026	68,720	76,600
Investments	249,600	238,313	254,000	278,237	297,820	290,199	292,020	277,314
Advances	823,020	840,045	889,440	921,849	965,420	981,906	1,040,990	1,110,152
Fixed assets	4,620	4,902	4,920	5,115	5,070	5,016	4,930	5,126
Other assets	32,620	32,347	32,690	33,732	36,190	35,883	36,980	39,115
Total assets	1,163,730	1,193,674	1,253,710	1,300,990	1,355,670	1,366,031	1,443,640	1,508,307
Balance sheet ratios (%)								
Loan growth	14.6	14.0	15.6	15.8	17.3	16.9	17.0	20.4
Deposit growth	15.7	14.5	15.5	15.3	15.6	13.3	14.9	16.0
LDR	83.0	82.3	83.4	83.4	84.2	84.9	84.9	86.6
CASA	28.4	27.3	27.5	27.7	27.2	26.9	27.6	27.5
Capital Adequacy (%)								
CET-1	15.0	17.1	16.3	15.6	15.1	17.7	18.0	17.3
Tier-2	0.9	1.1	1.0	1.0	1.0	1.0	0.6	0.7
CRAR	15.9	18.2	17.4	16.6	16.1	18.8	18.6	18.0
Profitability ratios (%)								
Yield on assets	9.0	8.9	9.1	9.1	8.8	8.8	9.2	9.1
Cost of funds	5.9	5.9	5.9	5.9	5.7	5.6	5.6	5.7
NIM	4.0	3.9	3.8	3.8	3.8	3.9	4.3	4.2
Fees/Assets	0.9	0.9	0.9	0.8	0.8	0.9	0.8	0.8
Cost/Income	47.1	47.2	47.2	46.3	45.2	43.0	41.8	40.4
Opex/avg assets	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5
RoA	1.7	1.7	1.8	1.9	1.9	2.0	2.2	2.1
Core RoA	1.7	1.7	1.5	1.3	2.0	1.9	2.0	2.0
RoE	18.2	17.7	17.9	18.9	19.1	19.3	21.9	21.0
Core RoE	17.3	16.9	15.0	13.1	20.6	18.3	20.0	20.4
EPS (INR)	23.7	24.1	25.9	23.8	24.7	26.0	31.3	30.6
BVPS (INR)	141.5	148.2	154.6	132.4	139.6	145.9	154.7	159.2
ABVPS (INR)	-	-	-	-	-	-	-	-
Asset quality ratios (%)								
GNPA	0.8	0.8	0.7	0.8	0.7	0.8	0.7	0.7
NNPA	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Provision coverage	75.9	74.1	71.3	75.2	73.3	75.0	74.6	74.1
Provision costs	0.8	0.8	0.6	1.3	0.7	0.8	0.4	0.6
Slippage	0.8	1.0	1.0	1.7	0.7	0.9	0.6	0.5
NNPA/Equity	1.5	1.4	1.4	1.4	1.4	1.3	1.3	1.3

Source: Company, PL

Financials

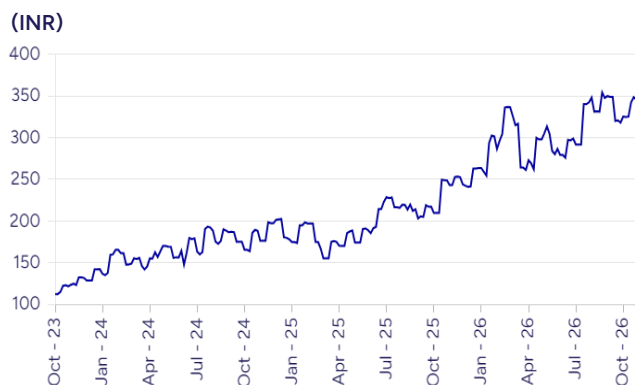
Y/e Mar	FY26	FY27E	FY28E	FY29E
Income Statement (INR m)				
Interest earned	110,744	130,088	154,692	181,669
Interest expended	61,358	71,474	85,907	100,611
Net Interest Income	49,385	58,614	68,784	81,058
Other income	20,843	18,768	19,956	21,317
Fees	10,502	11,123	11,888	13,528
Net Total Income	70,229	77,383	88,740	102,375
Operating Expenses	29,479	32,202	37,280	43,533
Employees	14,340	16,691	19,313	22,552
Others	15,138.4	15,511.0	17,967.7	20,981.1
Operating profit	40,750	45,180	51,460	58,842
Core PPop	36,635	42,184	48,100	55,482
Provisions	7,549	4,618	6,806	7,881
Profit before tax	33,201	40,562	44,654	50,961
Taxes	8,097	10,207	11,164	12,740
Net Profit	25,103	30,356	33,491	38,221
Core PAT	20,551	28,114	30,971	35,701
Growth Ratios (%)				
Loans	16.9	22.1	17.0	17.0
Deposits	13.3	20.5	17.0	17.0
NII	15.9	18.7	17.4	17.8
Fees	8.9	5.9	6.9	13.8
Opex	2.5	9.2	15.8	16.8
Core PPop	25.9	15.1	14.0	15.3
Provisions	21.4	(38.8)	47.4	15.8
Core PAT	19.9	36.8	10.2	15.3
Profitability Ratios (%)				
Yield on IEA	8.9	9.0	9.0	9.0
Cost of funds	5.5	5.5	5.6	5.6
NIM	4.0	4.0	4.0	4.0
Cost/Income	42.0	41.6	42.0	42.5
Provision cost	0.8	0.4	0.5	0.5
Tax rate	24.4	25.2	25.0	25.0
Core RoA	1.6	1.9	1.8	1.7
Core RoE	15.8	18.2	16.8	16.3
Du-pont (%)				
Interest income	8.7	8.7	8.7	8.8
Interest expenses	4.8	4.8	4.9	4.9
NII	3.9	3.9	3.9	3.9
Other income	1.6	1.3	1.1	1.0
Fees/avg assets	0.9	0.8	0.7	0.7
Total income	5.5	5.2	5.0	4.9
Opex/avg assets	2.3	2.2	2.1	2.1
Staff cost	1.1	1.1	1.1	1.1
Other opex	1.2	1.0	1.0	1.0
PPOP	3.2	3.0	2.9	2.8
Core PPop/avg assets	2.9	2.8	2.7	2.7
Provisions	0.6	0.3	0.4	0.4
PBT	2.6	2.7	2.5	2.5
Tax	0.6	0.7	0.6	0.6
RoA	2.0	2.0	1.9	1.8
RoE	19.3	19.6	18.1	17.5

Source: Company, PL

Y/e Mar	FY26	FY27E	FY28E	FY29E
Balance Sheet (INR m)				
Equity	141,079	168,607	200,551	237,225
Share capital	1,933	1,933	1,933	1,933
Deposits	1,156,657	1,393,525	1,630,227	1,907,135
Borrowings	26,221	14,079	17,016	24,014
Other Liabilities	42,069	53,183	60,324	68,425
Total liabilities	1,366,027	1,629,394	1,908,119	2,236,799
Cash with RBI	51,544	59,500	65,677	72,495
Balance with banks	1,482	22,309	32,662	47,820
Investments	290,199	301,618	352,851	412,785
Advances	981,906	1,198,432	1,401,995	1,640,136
Fixed assets	5,016	5,229	5,441	5,662
Other assets	35,883	42,307	49,493	57,900
Total assets	1,366,031	1,629,394	1,908,119	2,236,799
Balance sheet ratios (%)				
LDR	84.9	86.0	86.0	86.0
CASA	26.9	27.2	26.5	25.8
Inv/NDTL	23.7	20.6	20.7	20.6
Borr/NDTL	2.1	1.0	1.0	1.2
Assets/equity (x)	9.7	9.7	9.5	9.4
RWA/Loans	77.1	72.0	70.2	68.4
RWA/Total assets	55.4	53.0	51.6	50.1
Capital ratios (%)				
CRAR	18.8	18.8	19.6	20.5
CET-1	17.7	18.4	19.2	19.9
AT-1	-	-	-	-
Tier-2	1.0	0.5	0.5	0.6
Asset quality ratios (%)				
GNPA (INR mn)	7,439	7,855	9,269	12,024
NNPA (INR mn)	1,862	1,964	2,318	3,006
GNPA	1.1	0.9	0.9	0.9
NNPA	0.2	0.2	0.2	0.2
PCR	75.0	75.0	75.0	75.0
Slippage	0.9	0.6	0.6	0.6
NNPA / Equity	1.3	1.2	1.2	1.3
Per share (INR)				
EPS	26.0	31.4	34.6	39.5
DPS	2.6	3.5	3.8	4.3
BVPS	145.9	174.4	207.5	245.4
ABVPS	143.6	172.1	204.7	242.0
Valuation (x)				
Price (INR)	252.1	345.7	345.7	345.7
P/E	9.7	11.0	10.0	8.7
P/BV	1.7	2.0	1.7	1.4
P/ABV	1.8	2.0	1.7	1.4

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Oct-26	BUY	345	325
2	21-Jul-26	BUY	345	301
3	08-May-26	BUY	345	314

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Aditya Birla Sun Life AMC	BUY	1200	1010
2	Axis Bank	BUY	1550	1248
3	Bank of Baroda	Accumulate	280	233
4	Canara Bank	BUY	160	125
5	Canara Robeco Asset Management Company	HOLD	285	225
6	City Union Bank	BUY	250	224
7	DCB Bank	BUY	215	201
8	Federal Bank	BUY	400	320
9	HDFC Asset Management Company	BUY	2850	2352
10	HDFC Bank	BUY	950	711
11	ICICI Bank	BUY	1850	1343
12	ICICI Prudential Asset Management Company	BUY	3420	2969
13	Indian Bank	BUY	1000	813
14	IndusInd Bank	Accumulate	1150	906
15	Karur Vysya Bank	BUY	345	325
16	Kotak Mahindra Bank	BUY	500	432
17	Nippon Life India Asset Management	BUY	1250	1074
18	Prudent Corporate Advisory Services	Accumulate	3175	3200
19	State Bank of India	BUY	1200	959
20	Union Bank of India	Accumulate	190	168
21	UTI Asset Management Company	HOLD	975	888

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

Indian Clients

We/I Mr. Gaurav Jani CA, Passed CFA Level II, Mr. Adarsh Shetty CA, Mr. Tarang Nandwana CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

US Clients

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

Prabhudas Lilladher Pvt. Ltd.

Corporate Office: 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

Registered Office: 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com

**AMNISH
AGGARWAL**

Digitally signed by AMNISH AGGARWAL
DN: c=IN, o=Personal, title=1443,
2.5.4.20=21151ea12dd366d1ac370cb4234
3ee44b6e851c37bdbac5f86aa4ff3e694848
7, postalCode=400015, st=Maharashtra,
serialNumber=7a6f13691881d5a8af63538
65a61b48b7040e72f4a1bf53182e368b3ca
14a5e4, cn=AMNISH AGGARWAL
Date: 2026.10.16 08:58:27 +05'30'

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd., Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipients particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report.

PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report.

PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Gaurav Jani CA, Passed CFA Level II, Mr. Adarsh Shetty CA, Mr. Tarang Nandwana CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.