

KVB reported a 3% PAT beat at Rs7.9bn (ROA: 2.1%), driven by higher NII and provisions coming in ~41% below estimated, partly offset by lower other income (~18% below estimated). Credit growth remained robust at 20.4% yoy, led by broad-based traction across commercial and corporate segments, while deposit growth accelerated to 16% yoy/4.5% qoq, supported by healthy CASA growth and stable CASA ratio of 27.5%. KVB has mobilized FCNR B deposit of Rs6.8bn. NIM was stable at 4.26% (excluding one-off interest income), with Management guidance of NIM above 4% going ahead. Asset quality improved, with GNPA declining to 0.7%, while adequate provisioning buffers provide flexibility to manage transition to the ECL framework. Management expects FY27 credit growth of 18-20% and ROA of ~2%. We raise our earnings estimates by 2-11% and expect ROA to remain at ~2% over FY27-29E. We reiterate BUY while revising up our TP by ~8% to Rs420 from Rs390, valuing the bank at 1.9x Sep-28E ABV.

Growth accelerates; margin stable qoq

KVB posted strong credit growth of 20.4% yoy/6.6% qoq, driven by broad-based traction across commercial and corporate segments. Retail loans grew 20.8% yoy/4.5% qoq, led by mortgages along with personal and deposit loans, while housing, retail jewelry, and vehicle loans were relatively muted. Deposit growth accelerated to 16% yoy/4.5% qoq, supported by healthy CASA growth of 15.4% yoy/4.4% qoq, keeping CASA ratio stable at 27.5%. NIM was stable at 4.26% (ex one-off interest income), with Mgmt guidance of NIM above 4% going ahead. However, higher deposit rates following 1Q revisions have increased the cost of fresh deposit mobilization, with funding costs expected to remain elevated over coming 2-3M. KVB expects FY27 credit growth of 18-20%.

Healthy asset quality, but prudent provision buffers built in

KVB's gross slippages moderated to Rs1.2bn (0.5% of loans), while better recoveries and write-offs led to a 5bps qoq improvement in GNPA to 0.7% and NNPA remained stable at 0.2%. KVB has also built adequate provisioning buffers, including Rs1bn for West Asia-related risks, Rs1bn in contingency provisions last year and an additional Rs250mn in 2QFY27. Further, 41% of the Rs3.73bn restructuring pool is already provided for, offering sufficient levers to manage the transition to ECL framework.

We retain BUY on KVB; raise TP by 7.7%

We raise our earnings estimates, within the 2-11% range, factoring in the better operating leverage and contained credit cost; we expect the bank to deliver superior ROA of ~2% over FY27-29E. Thus, we reiterate BUY on KVB while revising up TP by ~8% to Rs420 from Rs390, valuing the bank at 1.9x Sep-28 ABV. Key risks: Slower-than-expected growth and resurgence of NPAs in the retail an/SME sectors due to macro/micro dislocation.

Target Price – 12M	Sep-27
Change in TP (%)	7.7
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	21.4

Stock Data	KVB IN
52-week High (Rs)	359
52-week Low (Rs)	220
Shares outstanding (mn)	966.4
Market-cap (Rs bn)	334
Market-cap (USD mn)	3,514
Net-debt, FY27E (Rs mn)	NA
ADTV-3M (mn shares)	3.5
ADTV-3M (Rs mn)	1,257.8
ADTV-3M (USD mn)	13.2
Free float (%)	97.4
Nifty-50	22,997.3
INR/USD	95.1

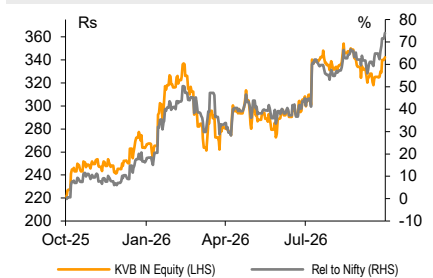
Shareholding, Jun-26

Promoters (%)	2.1
FPIs/MFs (%)	17.9/41.2

Price Performance

(%)	1M	3M	12M
Absolute	6.5	13.2	55.3
Rel. to Nifty	7.1	18.5	71.0

1-Year share price trend (Rs)



Karur Vysya Bank: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profit	19,416	25,103	30,343	34,600	38,791
Loan growth (%)	14.0	16.9	19.5	18.0	17.9
NII growth (%)	11.8	15.9	20.9	17.7	16.9
NIM (%)	3.9	4.0	4.1	4.1	4.1
PPOP growth (%)	13.5	26.9	15.9	18.9	14.2
Adj. EPS (Rs)	20.1	26.0	31.4	35.8	40.1
Adj. EPS growth (%)	20.9	29.2	20.9	14.0	12.1
Adj. BV (INR)	122.2	144.5	171.6	203.4	238.9
Adj. BVPS growth (%)	20.1	18.3	18.8	18.5	17.5
RoA (%)	1.7	2.0	2.0	2.0	1.9
RoE (%)	17.7	19.3	19.7	18.9	17.9
P/E (x)	17.2	13.3	11.0	9.7	8.6
P/ABV (x)	2.8	2.4	2.0	1.7	1.4

Source: Company, Emkay Research

Avinash Singh

avinash.singh@emkayglobal.com
+91-22-662121327

Nikhil Vaishnav

nikhil.vaishnav@emkayglobal.com
+91-22-66242485

Aman Mehta

aman.mehta@emkayglobal.com
+91-22-66121275

Key concall takeaways

Outlook on loans, deposits, and NIM

- The bank is facing pricing pressure in housing loans and is unable to compete with the lower rates offered by peers. It has allowed some accounts to run off. Mortgage loan growth has been impacted by aggressive pricing and customer poaching by competing banks offering lower interest rates. The bank has prioritized portfolio profitability over growth, resulting in relatively growth.
- The corporate and institutional loan portfolio grew 12% qoq, driven by credit demand across EPC, infrastructure, commercial real estate, and capital market participants, along with selective capex in textiles and NBFCs.
- The bank's tailored offerings, including the GST surrogate product for customers with limited financial data and the Open Terminal product launched in the March quarter, continued to gain traction, with their combined outstanding portfolio exceeding Rs4.5bn at the end of 2QFY27.
- Working capital utilization has been stable at 76-79% over the past 1-1.5 years, with the bank expecting higher utilization to support revenue growth. However, borrowers remain cautious amid prevailing uncertainties. The textile portfolio accounts for ~5.05% of the bank's advances. Within this portfolio, utilization among US-focused exporters is relatively low at 55-56%, as customers adopt a wait-and-watch approach and avoid increasing working-capital borrowings.
- The bank remains cautious on new vehicle financing due to low lending rates, fixed-rate structures, upfront dealer commissions, and relatively higher delinquencies. The uncertainty around loan tenure and the residual value of repossessed vehicles further impacts the economics.
- The bank has therefore taken a tactical decision to prioritize relatively safer and better-yielding lending opportunities, particularly gold loans, mortgages, and select corporate loans with strong credit profiles.
- Retail gold loans declined a marginal 1% qoq, as the bank refrained from reducing pricing to ensure calibrated growth in the segment.
- The agriculture loan portfolio grew 4% qoq, supported to some extent by higher oil prices amid the Gulf market crisis and moderation in agricultural commodity prices. The management maintained a neutral outlook for the agriculture portfolio, factoring in expectations of a favorable monsoon and positive growth indicators for agricultural inputs.
- The gold loan portfolio aims to keep within 35% of total advances or 32% of total exposure vs 26-27% of total exposure on an outstanding basis compared with 29% of advances.
- The management will adopt a cautious approach and target calibrated advances growth of 18-20% for FY27.
- The bank mobilized incremental FCNR(B) deposits of ~Rs 6.8bn during 2QFY27.
- Including a one-off interest recovery of 8bps from written-off accounts, NIM stood at 4.34% during the quarter.
- The cost of deposits increased marginally by 4bps qoq, reflecting the lagged impact of deposit rate hikes undertaken during 1QFY27. Fresh deposit mobilization during 2QFY27 also entailed relatively higher interest rates, following the upward revision in deposit rates during 1Q.
- Funding costs are likely to see upward pressure due to the RBI's monetary tightening, liquidity absorption, and intensifying competition for deposits. However, the immediate impact on the bank is expected to be limited. Further, the bank expects the current funding cost to persist over the next 2-3 months, with existing deposit rates largely sustaining the near-term impact.

- Following the RBI's 25bps repo rate hike, the management expects full-year NIM to remain above 4%, supported by improved visibility on the outlook and the bank's loan book pricing methodology.
- The bank has reduced its retail gold loan exposure, partly due to its relatively higher lending rates of ~14%, with rates of 13% offered selectively. Its incremental focus remains on agricultural gold loans.
- The bank completed the conversion of its gold loan portfolio from MCLR-linked to fixed-rate lending by late September/early October. While this has resulted in higher lending rates, the benefit from repricing has been largely realized, limiting further upside to yields. Corporate loan yields remain above 9%, supporting overall portfolio yields, although some marginal compression of 3–4bps cannot be ruled out.
- Around 56% of the loan book is linked to EBLR, of which ~35% comprises working capital loans. The bank began passing on the 25bps rate cut to this segment immediately, with the remaining portfolio expected to reprice over the following quarter.
- The repricing of EBLR-linked loans should partially offset the anticipated pressure on margins. However, the bank expects competitive pricing pressures to persist and may selectively reduce lending rates over the next 3–6 months to retain existing customers.

Asset quality

- The bank made provisions of Rs940mn toward NPA migrations, standard assets, and restructured assets, along with an additional Rs250mn toward floating provisions, increasing the annualized credit cost to 0.43%.
- The bank expects recoveries from fresh slippages of Rs4–5bn annually, assuming a 60% recovery rate, along with recoveries from an existing pool of assets worth ~Rs25bn.
- The bank has built in adequate provisioning buffers, including Rs1bn for West Asia-related risks, Rs1bn in contingency provisions last year, and an additional Rs250mn this quarter. Further, 41% of the Rs3.73bn restructuring pool has already been provided for. These provisions can be subsumed under the ECL framework, providing sufficient levers to manage the transition.

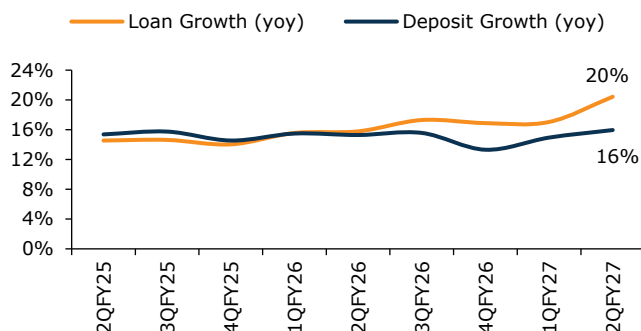
Others

- The bank has conducted preliminary assessments based on FY26 data and expects life insurance commissions to decline significantly, by around 60–70% in certain cases, under the proposed changes. The bank's current life insurance penetration stands at ~1.6%. It estimates that increasing penetration to 3.8–3.9% could help offset the potential loss in commission income.
- The LCR stood at 129% during 2QFY27, while Management intends to maintain it within the 115–120% range.
- The bank has planned to open 50 branches during FY27, with 26 additional branches expected to be operational by the end of 3QFY27.
- The bank expects advances to grow 18–20% in FY27 and NIM to remain above 4%. The bank expects to deliver full-year ROA of ~2%.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions)

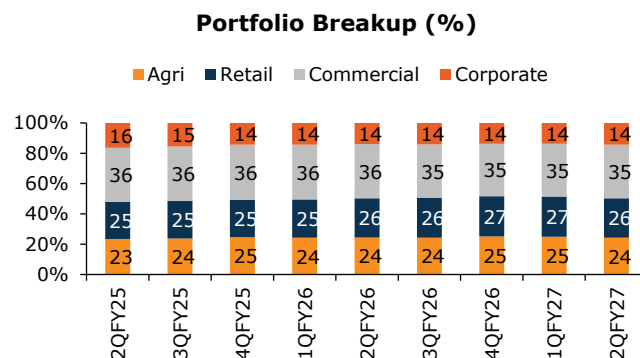
Story in charts

Exhibit 1: KVB reported strong loan growth driven by broad-based growth, while deposit growth also reported healthy traction yoy



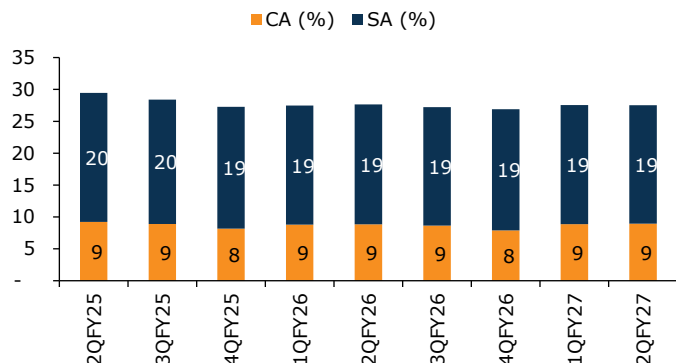
Source: Company, Emkay Research

Exhibit 2: The bank's portfolio mix is largely stable qoq



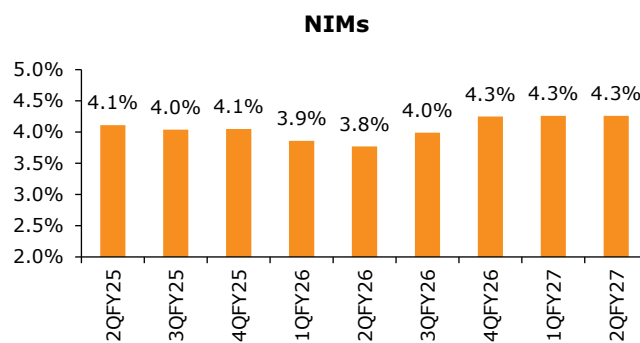
Source: Company, Emkay Research

Exhibit 3: Healthy CASA accretion led to a stable CASA ratio qoq



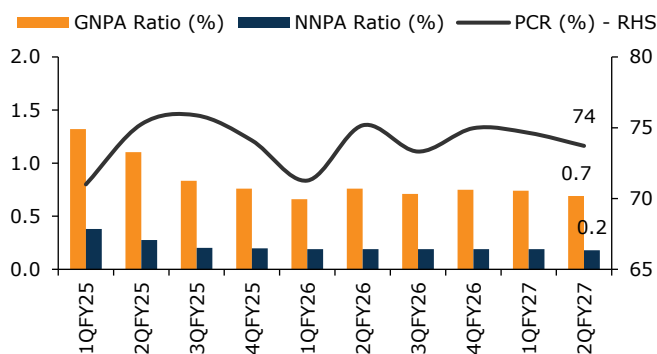
Source: Company, Emkay Research

Exhibit 4: Margins stable qoq; Mgmt expects it will remain above 4% going ahead



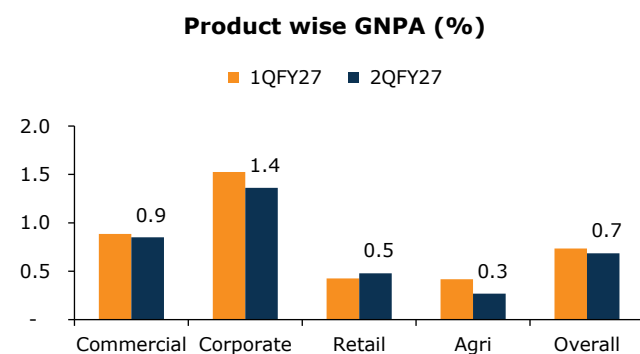
Source: Company, Emkay Research

Exhibit 5: Lower slippages, along with better write-offs, led to improvement in the headline GNPA ratio



Source: Company, Emkay Research

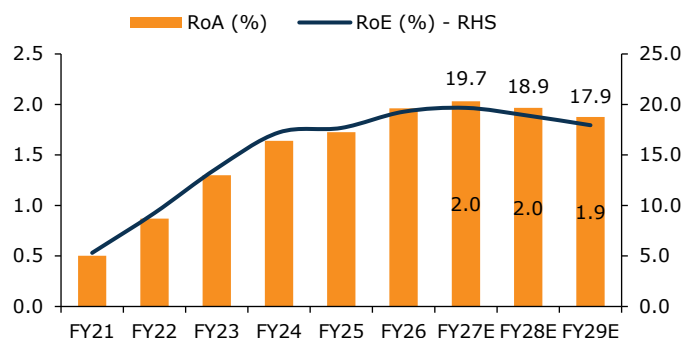
Exhibit 6: Segment-wise GNPA was largely stable, while retail witnessed a qoq increase



Source: Company, Emkay Research

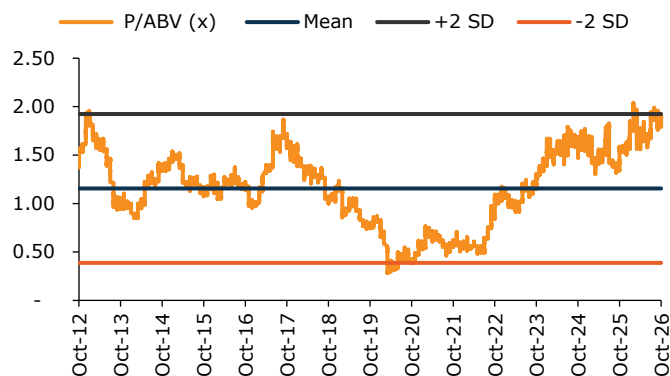
This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

Exhibit 7: We expect return ratios to remain healthy, led by strong operating profits, improving operating leverage, and credit costs



Source: Company, Emkay Research

Exhibit 8: The stock currently trades at around +2SD



Source: Company, Emkay Research

Exhibit 9: Actuals vs estimates (2QFY27)

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	19,322	19,848	18,994	-3%	2%	Higher NII, partly offset by lower other income, led to a miss.
PPOP	11,622	11,945	11,482	-3%	1%	Lower net income led to a PPOP miss.
PAT	7,877	7,658	7,606	3%	4%	The PPOP miss, partly offset by lower provisions, led to a PAT beat.

Source: Company, Emkay Research

Exhibit 10: Quarterly summary

(Rs mn)	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	yoy (%)	qoq (%)	FY26	FY27E	yoy (%)
Interest Earned	28,080	27,942	29,037	30,494	32,354	15.2	6.1	110,744	129,152	16.6
Interest Expense	15,468	15,549	15,449	16,267	17,380	12.4	6.8	61,358	69,451	13.2
Net Interest Income	12,612	12,393	13,588	14,228	14,974	18.7	5.2	49,385	59,702	20.9
Global NIMs (reported)	3.77	3.99	4.25	4.26	4.26	49bps	0bps	3.99	4.13	14bps
Non-interest Income	5,123	5,090	6,158	4,418	4,348	-15.1	-1.6	20,843	19,348	-7.2
Operating Expenses	7,561	7,429	7,278	7,689	7,700	1.8	0.1	29,479	31,810	7.9
Pre-Provisioning Profit	10,174	10,053	12,468	10,956	11,622	14.2	6.1	40,750	47,240	15.9
Provision & Contingencies	2,744	1,048	2,577	903	1,185	-56.8	31.3	7,549	6,728	-10.9
PBT	7,430	9,006	9,891	10,053	10,437	40.5	3.8	33,201	40,512	22.0
Income Tax Expense (Gain)	1,691	2,106	2,641	2,496	2,560	51.4	2.6	8,097	10,169	25.6
Net Profit/(Loss)	5,740	6,900	7,250	7,557	7,877	37.2	4.2	25,103	30,343	20.9
Gross NPA (%)	0.76	0.71	0.75	0.74	0.69	-7bps	-5bps	0.75	0.77	1bps
Net NPA (%)	0.19	0.19	0.19	0.19	0.18	-1bps	-1bps	0.19	0.19	0bps
Deposits (Rs bn)	1,105	1,146	1,157	1,226	1,281	16.0	4.5	1,157	1,358	17.4
Net Advances (Rs bn)	922	965	982	1,041	1,110	20.4	6.6	982	1,173	19.5

Source: Company, Emkay Research

Exhibit 11: Revision in estimates

Y/E Mar (Rs mn)	FY27E			FY28E			FY29E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Net income	80,108	79,049	-1.3%	88,967	92,026	3.4%	101,469	105,401	3.9%
PPOP	48,081	47,240	-1.8%	52,875	56,189	6.3%	59,928	64,164	7.1%
PAT	29,847	30,343	1.7%	31,744	34,600	9.0%	34,915	38,791	11.1%
EPS (Rs)	30.9	31.4	1.7%	32.8	35.8	9.0%	36.1	40.1	11.1%
BV (Rs)	172.9	173.4	0.3%	202.1	205.6	1.7%	234.2	241.7	3.2%

Source: Company, Emkay Research

Exhibit 12: Key assumptions

	FY26	FY27E	FY28E	FY29E
Loan Growth (%)	16.9	19.5	18.0	17.9
Deposit Growth (%)	13.3	17.4	17.1	18.1
NIM (%)	4.0	4.1	4.1	4.1
GNPA (%)	0.8	0.8	0.8	0.9
Credit Cost (%)	0.7	0.6	0.8	0.8

Source: Emkay Research

Exhibit 13: Key ratios and trends

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Loans (Rs mn)	796,188	823,020	840,045	889,440	921,849	965,420	981,906	1,040,990	1,110,152
YoY Growth (%)	14.5	14.6	14.0	15.6	15.8	17.3	16.9	17.0	20.4
QoQ Growth (%)	3.4	3.4	2.1	5.9	3.6	4.7	1.7	6.0	6.6
Liability Profile and Margin (%)									
Deposits (Rs mn)	958,385	991,550	1,020,780	1,066,500	1,104,917	1,145,950	1,156,657	1,225,870	1,281,233
Growth (yoy)	15.4	15.7	14.5	15.5	15.3	15.6	13.3	14.9	16.0
Growth (qoq)	3.8	3.5	2.9	4.5	3.6	3.7	0.9	6.0	4.5
CASA	29.5	28.4	27.3	27.5	27.7	27.2	26.9	27.6	27.5
CA	9.2	8.9	8.2	8.8	8.8	8.7	7.9	8.9	9.0
SA	20.2	19.5	19.1	18.7	18.8	18.6	19.0	18.7	18.6
Branches (no of)	841	866	888	888	895	898	901	903	921
NIM	4.11	4.03	4.05	3.86	3.77	3.99	4.25	4.26	4.26
Asset Quality (%)									
GNPA	1.1	0.8	0.8	0.7	0.8	0.7	0.8	0.7	0.7
NNPA	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
PCR	75.2	75.9	74.1	71.3	75.2	73.3	75.0	74.6	73.7
Capital Adequacy (%)									
CRAR	16.3	15.9	18.2	17.4	16.6	16.1	18.8	18.6	18.0
Tier I	15.4	15.0	17.1	16.3	15.6	15.1	17.7	18.0	17.3
ROE Decomposition (%)									
NII	3.8	3.8	3.7	3.5	3.9	3.7	4.0	4.1	4.1
Other Income	1.7	1.6	1.7	1.5	1.6	1.5	1.8	1.3	1.2
Opex	2.6	2.6	2.6	2.4	2.4	2.2	2.1	2.2	2.1
PPOP	2.9	2.8	2.8	2.6	3.2	3.0	3.7	3.1	3.1
Provisioning Cost	0.6	0.5	0.5	0.4	0.9	0.3	0.8	0.3	0.3
PBT	2.3	2.3	2.3	2.2	2.3	2.7	2.9	2.9	2.8
ROA	1.7	1.7	1.7	1.7	1.8	2.1	2.1	2.2	2.1
ROE	17.6	17.8	17.6	17.1	18.2	21.0	21.0	20.8	20.8

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Karur Vysya Bank: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Interest Income	96,780	110,744	129,152	147,081	168,934
Interest Expense	54,181	61,358	69,451	76,798	86,756
Net interest income	42,599	49,385	59,702	70,282	82,177
NII growth (%)	11.8	15.9	20.9	17.7	16.9
Other income	18,296	20,843	19,348	21,744	23,224
Total Income	60,895	70,229	79,049	92,026	105,401
Operating expenses	28,771	29,479	31,810	35,837	41,237
PPOP	32,123	40,750	47,240	56,189	64,164
PPOP growth (%)	13.5	26.9	15.9	18.9	14.2
Core PPOP	31,440	39,122	45,530	54,394	62,280
Provisions & contingencies	6,216	7,549	6,728	9,995	12,374
PBT	25,907	33,201	40,512	46,194	51,791
Extraordinary items	-	-	-	-	-
Tax expense	6,491	8,097	10,169	11,595	12,999
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	19,416	25,103	30,343	34,600	38,791
PAT growth (%)	21.0	29.3	20.9	14.0	12.1
Adjusted PAT	19,416	25,103	30,343	34,600	38,791
Diluted EPS (Rs)	20.1	26.0	31.4	35.8	40.1
Diluted EPS growth (%)	20.9	29.2	20.9	14.0	12.1
DPS (Rs)	2.2	2.6	3.3	3.6	4.0
Dividend payout (%)	10.8	10.0	10.5	10.1	10.0
Effective tax rate (%)	25.1	24.4	25.1	25.1	25.1
Net interest margins (%)	3.9	4.0	4.1	4.1	4.1
Cost-income ratio (%)	47.2	42.0	40.2	38.9	39.1
Shares outstanding (mn)	805.1	966.6	966.6	966.6	966.6

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Asset quality					
Gross NPLs	6,418	7,439	9,032	11,413	14,699
Net NPLs	1,662	1,862	2,258	2,853	3,675
GNPA ratio (%)	0.8	0.8	0.8	0.8	0.9
NNPA ratio (%)	0.2	0.2	0.2	0.2	0.2
Provision coverage (%)	74.1	75.0	75.0	75.0	75.0
Gross slippages	4,819	7,415	10,620	13,228	16,431
Gross slippage ratio (%)	0.6	0.9	0.9	1.0	1.0
LLP ratio (%)	0.6	0.7	0.6	0.8	0.8
NNPA to networth (%)	1.4	1.3	1.3	1.4	1.5
Capital adequacy					
Total CAR (%)	18.2	18.8	18.9	18.1	17.6
Tier-1 (%)	17.1	17.7	18.0	17.4	17.0
CET-1 (%)	17.1	17.7	18.0	17.4	17.0
RWA-to-Total Assets (%)	55.5	55.4	55.0	58.0	59.5
Miscellaneous					
Total income growth (%)	16.7	14.3	12.9	13.7	13.8
Opex growth (%)	9.0	2.5	7.9	12.7	15.1
Core PPOP growth (%)	24.0	24.4	16.4	19.5	14.5
PPOP margin (%)	27.9	31.0	31.8	33.3	33.4
PAT/PPOP (%)	60.4	61.6	64.2	61.6	60.5
LLP-to-Core PPOP (%)	19.8	19.3	14.8	18.4	19.9
Yield on advances (%)	10.2	10.0	10.0	9.7	9.4
Cost of funds (%)	5.6	5.5	5.4	5.1	4.9

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	1,610	1,933	1,933	1,933	1,933
Reserves & surplus	117,685	139,145	165,663	196,783	231,707
Net worth	119,295	141,079	167,596	198,716	233,641
Deposits	1,020,780	1,156,657	1,357,527	1,589,669	1,877,109
Borrowings	12,170	26,226	31,471	37,765	45,318
Interest bearing liab.	1,032,950	1,182,883	1,388,998	1,627,434	1,922,427
Other liabilities & prov.	41,429	42,069	63,942	71,630	80,072
Total liabilities & equity	1,193,674	1,366,031	1,620,536	1,897,779	2,236,140
Net advances	840,045	981,906	1,173,268	1,383,890	1,632,066
Investments	238,313	290,199	319,197	377,428	442,053
Cash, other balances	78,067	53,026	80,562	81,372	96,121
Interest earning assets	1,156,425	1,325,131	1,573,027	1,842,690	2,170,240
Fixed assets	4,902	5,016	5,329	5,919	6,577
Other assets	32,347	35,883	42,180	49,171	59,322
Total assets	1,193,674	1,366,031	1,620,536	1,897,779	2,236,140
BVPS (Rs)	123.5	145.9	173.4	205.6	241.7
Adj. BVPS (INR)	122.2	144.5	171.6	203.4	238.9
Gross advances	844,801	987,483	1,180,042	1,392,450	1,643,091
Credit to deposit (%)	82.3	84.9	86.4	87.1	86.9
CASA ratio (%)	27.3	26.9	27.5	28.2	29.5
Cost of deposits (%)	5.5	5.4	5.3	4.9	4.7
Loans-to-Assets (%)	70.4	71.9	72.4	72.9	73.0
Net advances growth (%)	14.0	16.9	19.5	18.0	17.9
Deposit growth (%)	14.5	13.3	17.4	17.1	18.1
Book value growth (%)	18.7	18.2	18.8	18.6	17.6

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	17.2	13.3	11.0	9.7	8.6
P/B (x)	2.8	2.4	2.0	1.7	1.4
P/ABV (x)	2.8	2.4	2.0	1.7	1.4
P/PPOP (x)	10.4	8.2	7.1	5.9	5.2
Dividend yield (%)	0.6	0.8	1.0	1.0	1.2
DuPont-RoE split (%)					
NII/avg assets	3.8	3.9	4.0	4.0	4.0
Other income	1.6	1.6	1.3	1.2	1.1
Fee income	1.1	1.0	1.0	0.9	0.9
Opex	2.6	2.3	2.1	2.0	2.0
PPOP	2.9	3.2	3.2	3.2	3.1
Core PPOP	2.8	3.1	3.0	3.1	3.0
Provisions	0.6	0.6	0.5	0.6	0.6
Tax expense	0.6	0.6	0.7	0.7	0.6
RoA (%)	1.7	2.0	2.0	2.0	1.9
Leverage ratio (x)	10.2	9.8	9.7	9.6	9.6
RoE (%)	17.7	19.3	19.7	18.9	17.9

Quarterly data					
Rs mn, Y/E Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY26	Q2FY26
NII	12,612	12,393	13,588	14,228	14,974
NIM (%)	3.7	4.0	4.2	4.2	4.2
PPOP	10,174	10,053	12,468	10,956	11,622
PAT	5,740	6,900	7,250	7,557	7,877
EPS (Rs)	5.9	7.1	7.5	7.8	8.1

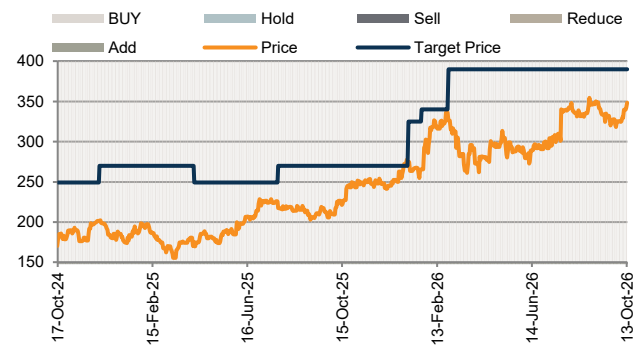
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
08-Oct-26	329	390	Buy	Avinash Singh
10-Jul-26	306	390	Buy	Avinash Singh
07-May-26	314	390	Buy	Anand Dama
27-Feb-26	326	390	Buy	Anand Dama
24-Jan-26	266	340	Buy	Anand Dama
07-Jan-26	270	325	Buy	Anand Dama
18-Oct-25	227	270	Buy	Anand Dama
05-Sep-25	206	270	Buy	Anand Dama
25-Jul-25	217	270	Buy	Anand Dama
20-May-25	190	249	Buy	Anand Dama
09-Apr-25	170	249	Buy	Anand Dama
21-Jan-25	190	270	Buy	Anand Dama
09-Dec-24	202	270	Buy	Anand Dama
17-Oct-24	181	249	Buy	Anand Dama

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst 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.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities 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 including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, 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 Financial Institutions Regulatory Authority (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 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. Emkay Global Financial Services Ltd. has entered into a chaperoning 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.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions.com)

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons¹ may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of October 16, 2026
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report

Disclosure of previous investment recommendation produced:

- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of October 16, 2026
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the October 16, 2026
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions)

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

CHIRAG
UTTAM
JAIN

Digitally signed
by CHIRAG
UTTAM JAIN

Date: 2026.10.16
01:27:12 +05'30'

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)