PL Capital PRABHUDAS LILLADHER

Karur Vysya Bank (KVB IN)

Q1FY27 Result Update

July 21, 2026

☑ Estimate Change | ■ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	345		345	
NII (INR. mn)	56,495	65,633	55,822	65,066
% Chng.	*1.2*	*0.9*		
Op. Profit (INR mn)	43,792	50,126	43,595	49,720
% Chng.	*0.5*	*0.8*		
EPS (INR)	29.0	32.7	27.9	32.4
% Chng.	*3.9*	*0.9*		

Key Data

Key Data	KARU.BO | KVB IN
BSE Code	590003
NSE Code	KARURVYSYA
52-W High / Low	INR 343 / INR 201
Face Value	2
Sensex / Nifty	77,709 / 24,239
Market Cap	INR 291 bn / $ 3,016 mn
Shares Outstanding	966.36 mn
3M Avg. Daily Value	INR 925.90 mn

Shareholding Pattern (%)

Promoters	2.07
FIIs	19.25
Mutual Funds	31
Domestic Institutions	8.26
Public & Others	39.42
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	3.2	9.6	16.2	34.7
Relative	2.0	10.7	22.9	41.7

Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
NII (INR mn)	42,599	47,779	56,495	65,633
NIM (%)	*3.9*	*3.9*	*3.9*	*3.9*
Core PPOP (INR mn)	29,094	34,740	40,584	46,766
PAT (INR mn)	19,416	25,103	28,026	31,592
Core PAT (INR mn)	17,146	20,551	25,623	29,072
EPS (INR)	20.1	26.0	29.0	32.7
Gr. (%)	*20.9*	*29.2*	*11.8*	*12.7*
DPS (INR)	2.2	3.0	3.2	3.6
Yield (%)	*1.0*	*1.0*	*1.1*	*1.2*
RoAE (%)	*17.7*	*19.3*	*18.1*	*17.2*
Core RoAE (%)	*15.6*	*15.8*	*16.5*	*15.8*
RoAA (%)	*1.7*	*2.0*	*1.9*	*1.8*
Core RoAA (%)	*1.5*	*1.6*	*1.7*	*1.7*
P/BV (x)	1.7	1.7	1.7	1.5
P/ABV (x)	1.8	1.8	1.7	1.5
PE (x)	10.6	9.7	10.4	9.2
CAR (%)	*18.2*	*18.8*	*19.1*	*19.6*

Stable NII/NIM QoQ; upgrade in margins

Quick Pointers

- Stable quarter. Core parameters in-line; steady NIM QoQ
- Loan growth guided at 1-2% above industry with RAM focus
- We raise NIM for FY27/28 by 5bps; core PAT upgrade of 3%

KVB saw a steady quarter as loan growth, NII/NIM and fees were in-line. Core PPoP was a miss by 3% due to lower TWO recovery (guided to improve). While loan growth for FY27 is guided at 1-2% above industry; bank would prefer RAM growth while being cautious on corporate. We see loan growth of 17/16% in FY27/28E. NIM performance has been strong since last 4 quarters due to calibration in asset mix; NIM for Q2'27 is guided to be >4% with upside risk while full year NIM guidance of 3.7-3.8% would be revisited post Q2'27. We raise NIM for FY27/28E by 5bps each leading to core PAT upgrade of avg. 2.7%. We keep multiple at 1.7x and maintain TP of INR 345. Retain 'BUY'.

Stable quarter; core revenue in-line but better asset quality: NII adjusted for interest on TWO of INR 246mn, was 1.3% higher at INR 14.0bn. NIM (calc.) was ahead at 4.27% (PLe 4.21%); reported NIM (adjusted) was stable QoQ at 4.26%. Credit/deposit growth were in-line at 17%/14.9% YoY. Other inc. was lower at INR 4.4bn (PLe INR 4.9bn) due to TWO recovery; fee was in-line. Opex at INR 7.7bn was 2.1% above PLe; higher staff cost was offset by lower other opex. Core PPoP at INR 10bn was 3.0% lower; PPoP was INR 11bn. Asset quality was better due to lower net slippages; GNPA was 0.74% (PLe 0.72%) as write-off was lesser. Driven by lower provisions at INR 0.9bn (PLe INR 1.7bn), core PAT was 6.2% above PLe at INR 6.9bn. PAT was INR 7.6bn.

Loan growth was broad based; guidance remains conservative: Loan growth at 6% QoQ was healthy/broad based, led by CoB (6.4%), retail (6.0%), agri (5.3%) & corporate (6.4%). ECLGS disbursed in Q1'26 was only INR 100mn suggesting CoB growth was organic led by higher disbursals in SBG and BBG (+45% QoQ). Growth was led by sectors such as food processing, retail/wholesale trade, engineering, transport operators, & CRE. Retail loan growth was mainly led by LAP and gold. Corporate accretion was primarily driven by new relationships with traction in segments like CRE, capital markets and EPC & infra sectors. Focus remains on funding loan growth with mainly RTD and hence RTD growth was strong at ~8% QoQ as it was front loaded.

Fixed rate loan share rises; no visible signs of stress: Fixed rate loan book increased by ~500bps QoQ to 34% so that any likely increase in deposit cost would be offset since fixed rate loans are higher yielding at 10-11%. Early signals indicate no visible stress in the SME space due to the US-Iran conflict though the bank has been building up provision buffers. Overall excess provisions stood at 1.7%, which should suffice for ECL transition.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
NII (INR mn)	13,802	13,981	*1.3*	10,794	*29.5*
Margin (%)	*4.2*	*4.3*	*6 bps*	*3.8*	*46 bps*
Core PPoP (INR mn)	10,331	10,022	*-3.0*	6,873	*45.8*
Core PAT (INR mn)	6,452	6,855	*6.2*	4,317	*58.8*

Source: Company, PL

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

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

Tarang Nandwana
tarangnandwana@plindia.com | +91-22-66322222

Q1FY27 Conference Call highlights

Balance sheet

- Overall advances grew by 6% QoQ (+17% YoY) which was broad based across segments. Credit growth guided at 1-2% above industry, while being cautious on corporate mix (currently 14%).

- Commercial grew by 6.4% QoQ (+12.8% YoY) which was supported by (1) disbursal pick-up in SBB & BBG (2) healthy demand across food processing, retail/wholesale trade, engineering, transport operators, & CRE (3) traction in newly launched GST surrogate & open term loans (4) expanding reach via more branches.

- Corporate growth at 6.4% QoQ was primarily driven by new relationships across CRE, capital markets, EPC and infra sectors. ECLGS loans disbursed till now under commercial/corporate amounts to INR 1.4bn/0.8bn.

- Agri grew by 5.3% QoQ (+20% YoY). Overall outlook remains neutral since supplemental irrigation initiatives would mitigate any adverse impact of delayed monsoon; agri (incl. gold loans) to be capped at 32-35%

- Mortgage grew 9% QoQ due to increase in mortgage focused branches; housing growth was calibrated amid competitive pressure from PSB's due to lower pricing and BT out risks.

- PL growth remained subdued at 1% QoQ due to organizational changes in digital lending partner - Axio, following its acquisition by Amazon. Mgmt. expects growth momentum to normalize in upcoming quarters.

- KVB re-launched its credit card offering to existing customers; it plans to start new customer acquisition from Q2'27; loan against MF product to be launched by the end of Q2FY27.

- CASA grew 8.5% QoQ (+15% YoY), supported by both ETB/NTB, while quarter-end inflows in CA provided an additional boost; RTD mobilization was accelerated to fund incremental loan growth during the quarter. Strategic focus remains on garnering retail liabilities, balancing TD growth with stronger CASA accretion, while increasing share from non-financial corporates, MSMEs and transactional relationships.

- Absence of overseas/gift city branch could limit KVB's ability to benefit from FCNR-linked opportunities and access to big ticket customers. Bank aims to double/triple its current FCNR base of ~USD 130mn. With NRI business a key improvement area for KVB, RBI's relaxation on interest rate ceiling have enabled the Bank to offer more competitive rates, thereby attracting NRI deposits and retain customer relations.

Profit & loss

- Despite repo cut, Reported NIM (adj. for one-off TWO recovery) was up 1bp QoQ to 4.26%, supported by portfolio calibration and yield optimization. NIM for Q2'27 is expected to be above 4%; guidance for FY27 intact at 3.7-3.8% which will be reviewed by Sep'26.

- Yield on advances could decline by ~10bps in Q2'27 due to competition and customer retention. Fixed rated book share (high yield at 10-11%) increased to 34% (from 29% in Q4'26) to counter likely rise in deposit cost. CoF was up ~7bps QoQ due to deposit repricing; further upward repricing of 5-6bps in CoF is likely.

- Investment yield was stable at 6.8% QoQ despite soft market rates. Bank targets 7% yield by Q4'27, aided by reinvestment of maturing low-yield securities into high-yield & calibrated build-up of non-SLR portfolio.

- Staff cost grew by 17% QoQ led by rise in establishment cost and provision for retiral benefits, partly offset by lower other opex. C/I is guided at 45-50%; higher NII growth over opex may lead to further C/I reduction.

- TWO recoveries amounted to INR 1bn during the quarter with FY27 recoveries guided at INR 5-6 bn.

Asset quality

- While the bank has limited exposure to sectors affected by US-Iran war, management believes EU FTA would support softer demand; provision buffers created during previous quarter (INR 1.63bn) is considered adequate. Sentimental value attached to gold would help lower delinquencies led by EL-Nino.
- Bank expects minimal transition impact due to ECL, supported by prudential buffers (1.7% of loans) built over past few years. Sustainable impact is still under assessment; it may be driven by portfolio mix/quality.

Exhibit 1: Higher PAT due to NII beat and lower provisions

P&L Statement (INR m)	Q1FY27	Q1FY26	*YoY gr. (%)*	Q1FY27E	*% Var.*	Q4FY26	*QoQ gr. (%)*
Interest Income	30,248	25,686	*17.8*	30,259	*(0.0)*	28,820	*5.0*
Interest Expended	16,267	14,892	*9.2*	16,457	*(1.2)*	15,449	*5.3*
Net interest income (NII)	**13,981**	**10,794**	***29.5***	**13,802**	***1.3***	**13,371**	***4.6***
Other income	4,418	4,473	*(1.2)*	4,900	*(9.8)*	6,158	*(28.3)*
-Fee income	2,700	2,510	*7.6*	2,660	*1.5*	2,800	*(3.6)*
-Other non interest income	1,718	1,963	*(12.5)*	2,240	*(23.3)*	3,358	*(48.8)*
Total income	**18,399**	**15,266**	***20.5***	**18,702**	***(1.6)***	**19,529**	***(5.8)***
Operating expenses	7,689	7,211	*6.6*	7,531	*2.1*	7,278	*5.7*
-Staff expenses	3,993	3,649	*9.4*	3,544	*12.7*	3,408	*17.2*
-Other expenses	3,697	3,562	*3.8*	3,987	*(7.3)*	3,871	*(4.5)*
Operating profit	**10,956**	**8,055**	***36.0***	**11,171**	***(1.9)***	**12,468**	***(12.1)***
Core Operating Profit	**10,022**	**6,873**	***45.8***	**10,331**	***(3.0)***	**10,693**	***(6.3)***
Total provisions	903	1,181	*(23.6)*	1,729	*(47.8)*	2,577	*(65.0)*
Profit before tax	**10,053**	**6,874**	***46.3***	**9,442**	***6.5***	**9,891**	***1.6***
Tax	2,496	1,659	*50.4*	2,361	*5.7*	2,641	*(5.5)*
Profit after tax	**7,557**	**5,215**	***44.9***	**7,082**	***6.7***	**7,250**	***4.2***
Balance Sheet (Rs m)							
Deposits	12,25,870	10,66,500	*14.9*	12,25,870	-	11,56,657	*6.0*
Advances	10,40,990	8,89,440	*17.0*	10,40,808	*0.0*	9,81,906	*6.0*
Ratios (%)							
NIM	**4.3**	**3.8**	***46***	**4.2**	***6***	**4.3**	***(3.8)***
RoaA	2.2	1.8	*46*	2.1	*15*	2.3	*(2)*
RoaE	22.1	18.1	*397*	20.8	*127*	22.3	*(19)*
Asset Quality							
Gross NPL (Rs m)	7,719	5,926	*30.3*	7,581	*1.8*	7,439	*3.8*
Net NPL (Rs m)	1,958	1,703	*15.0*	1,895	*3.3*	1,862	*5.1*
Gross NPL ratio	**0.74**	**0.66**	***7.43***	**0.72**	***1***	**0.75**	***(2)***
Net NPL ratio	**0.19**	**0.19**	***(0.34)***	**0.18**	***1***	**0.19**	***(0)***
Coverage ratio (Calc)	74.6	71.3	*337*	75.0	*(36)*	75.0	*(33)*
Business & Other Ratios							
Low-cost deposit mix	27.6	27.5	*7*	27.6	*(0)*	26.9	*65*
Cost-income ratio	41.8	47.2	*(544)*	40.3	*153*	37.3	*452*
Non int. inc / total income	24.0	29.3	*(529)*	26.2	*(219)*	31.5	*(752)*
Credit deposit ratio	84.9	83.4	*152*	84.9	*1*	84.9	*3*
Capital Adequacy Ratio	18.6	17.4	*125*	-		18.8	*(15)*
Tier-I	18.0	16.3	*165*	-		17.7	*26*

Source: Company, PL

Exhibit 2: Quarterly Estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27E	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
NII	13,981	29.5	14,083	25.5	14,292	15.3	14,139	5.7
Core PPoP	10,022	45.8	10,419	34.3	10,295	9.4	9,848	-7.9
NIM (%)	4.3	46.3bps	4.2	32.7bps	4.1	-0.1bps	3.9	-37.2bps
Core PAT	6,855	58.8	6,464	66.8	6,331	-1.2	6,030	1.4

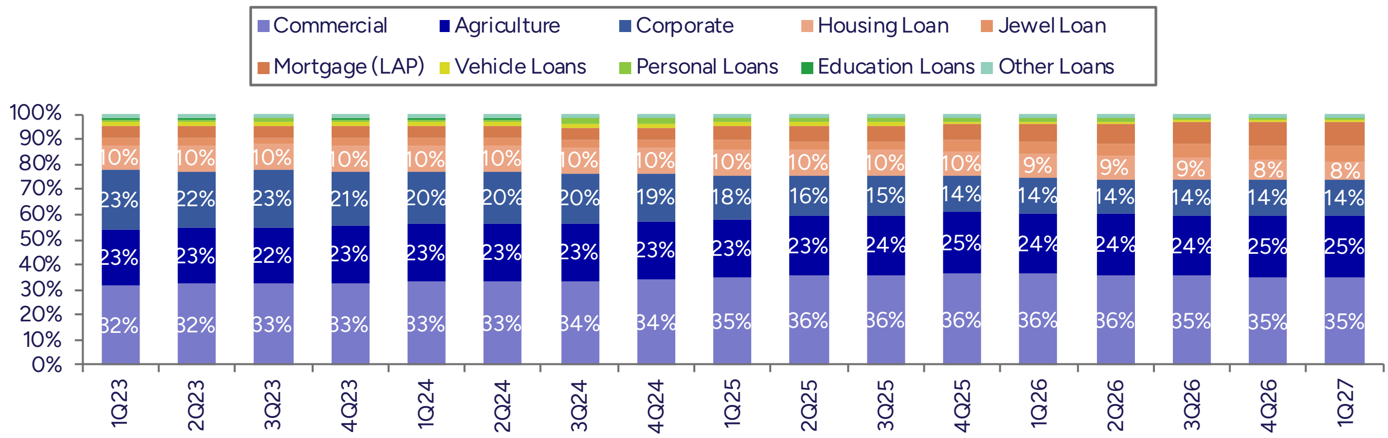
Source: Company, PL

Exhibit 3: Loan growth at 6% QoQ, led by CoB (6.4%), retail (6.0%), agri (5.3%) & corporate (6.4%).

Advances break-up (Rs mn)	Q1FY27	Q1FY26	YoY gr. (%)	Q4FY26	QoQ gr. (%)
Commercial	3,64,590	3,23,110	12.8	3,42,790	6.4
Agriculture	2,60,950	2,17,080	20.2	2,47,840	5.3
Corporate	1,43,560	1,28,120	12.1	1,34,940	6.4
Housing Loan	81,200	82,320	(1.4)	81,630	(0.5)
Jewel Loan	62,520	42,400	47.5	55,600	12.4
Mortgage (LAP)	1,00,410	65,830	52.5	92,220	8.9
Vehicle Loans	7,750	9,820	(21.1)	8,160	(5.0)
Personal Loans	10,620	10,440	1.7	10,510	1.0
Education Loans	1,280	1,420	(9.9)	1,310	(2.3)
Other Loans	13,920	13,200	5.5	12,540	11.0
Total Advances	**10,46,800**	**8,93,740**	**17.1**	**9,87,540**	**6.0**

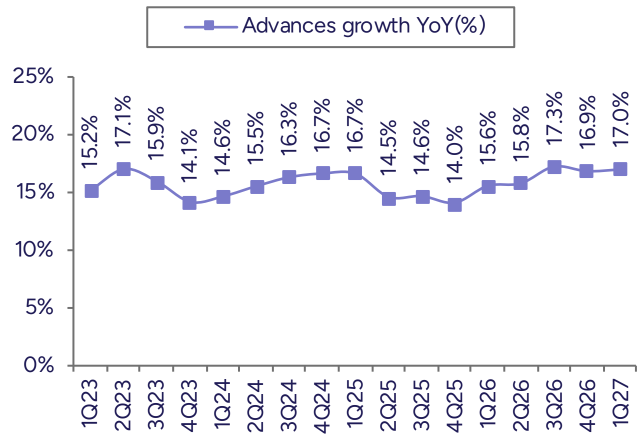
Source: Company, PL

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



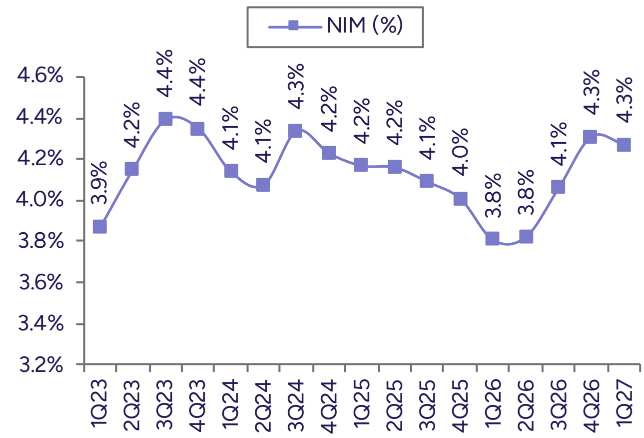
Source: Company, PL

Exhibit 5: Advances growth at 17% YoY



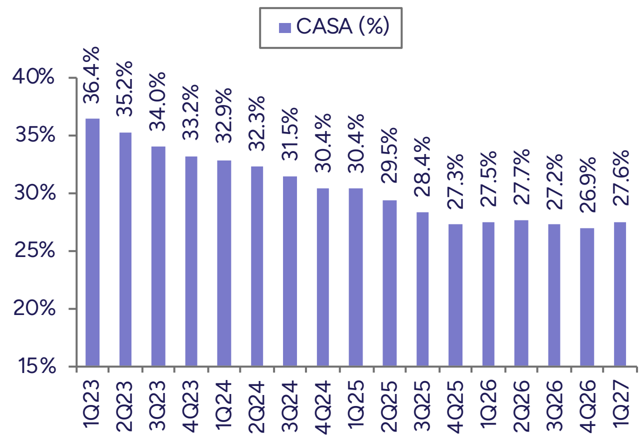
Source: Company, PL

Exhibit 6: NIMs (cal.) declined to 4.27%



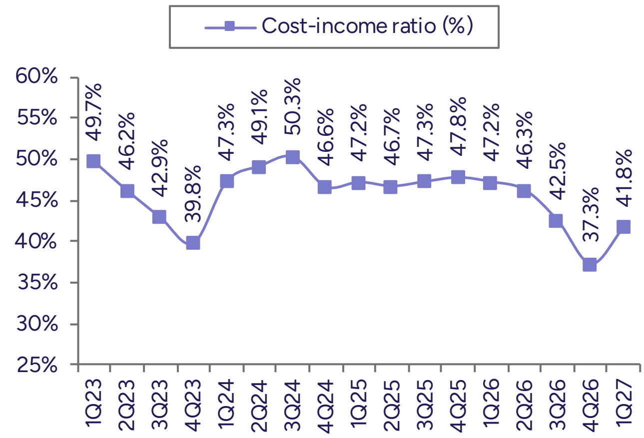
Source: Company, PL

Exhibit 7: CASA mix increased to 27.6%



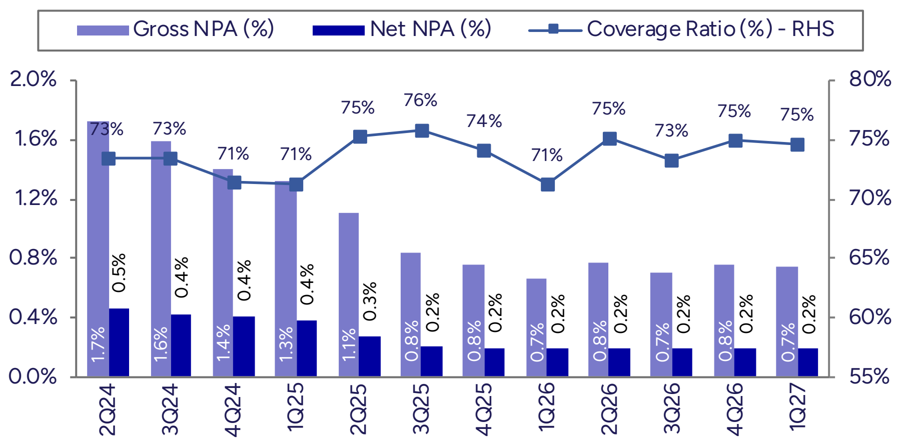
Source: PL, Company

Exhibit 8: C/I increased to 41.8% due to lower other income



Source: PL, Company

Exhibit 9: GNPA declined QoQ to 0.7%, whiles PCR stable at 75%



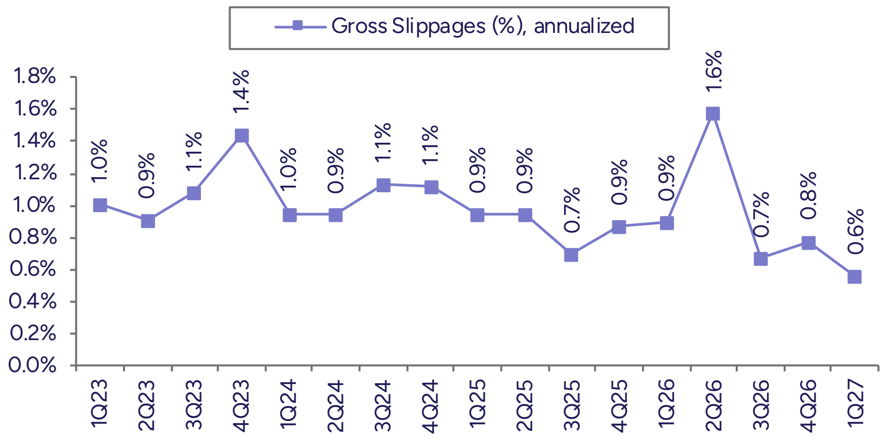
Source: Company, PL

Exhibit 10: Slippages declined sequentially to 0.6%

Movement in NPL	Q1FY27	Q1FY26	YoY gr. (%)	Q4FY26	QoQ gr. (%)
Opening	7,440	6,430	*15.7*	6,870	*8.3*
Additions	1,380	1,880	*-26.6*	1,870	*-26.2*
Reductions	1,100	2,370	*-53.6*	1,300	*-15.4*
Closing GNPA	**7,720**	**5,940**	***30.0***	**7,440**	***3.8***
Slippages %	**0.6**	**1.0**	***-35.6***	**0.9**	***-27.0***

Source: Company, PL

Exhibit 11: Gross slippages (annualized) declined to 0.6%



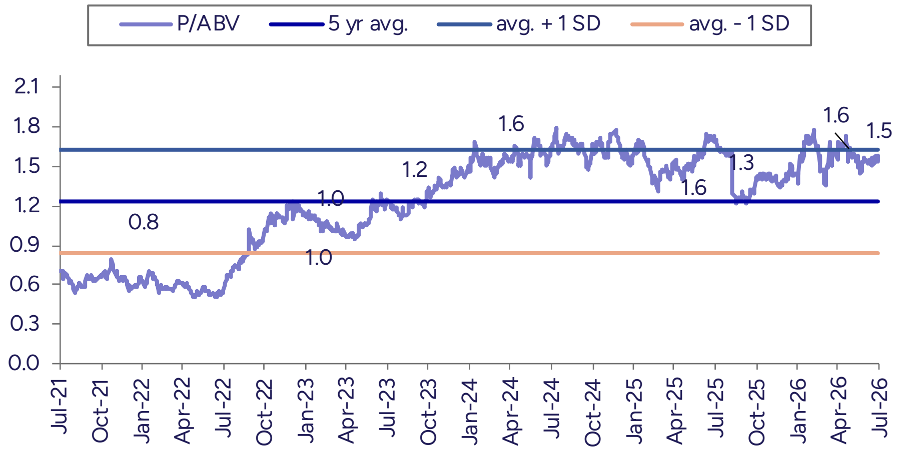
Source: Company, PL

Exhibit 12: Return ratios to range around 17-18%

Du-pont Analysis	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
NII/Assets	**3.3**	**3.5**	**3.9**	**3.9**	**3.8**	**3.7**	**3.8**	**3.8**
Other inc./Assets	1.3	1.0	1.4	1.7	1.6	1.6	1.4	1.3
Net revenues/Assets	**4.6**	**4.5**	**5.3**	**5.6**	**5.4**	**5.4**	**5.2**	**5.1**
Opex/Assets	2.8	2.4	2.4	2.7	2.6	2.3	2.2	2.2
Provisions/Assets	1.1	0.9	1.2	0.7	0.6	0.6	0.4	0.5
Taxes/Assets	0.2	0.3	0.4	0.5	0.6	0.6	0.6	0.6
ROA (%)	**0.5**	**0.9**	**1.3**	**1.6**	**1.7**	**2.0**	**1.9**	**1.8**
ROE (%)	**5.3**	**9.3**	**13.7**	**17.2**	**17.7**	**19.3**	**18.1**	**17.2**

Source: Company, PL

Exhibit 13: On one-year forward basis, KVB trades at 1.5x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Income Statement (INR m)								
Interest earned	23,840	24,860	25,159	25,686	26,690	27,942	28,820	30,248
Interest expended	13,241	14,072	14,267	14,892	15,468	15,549	15,449	16,267
Net Interest Income	**10,600**	**10,788**	**10,893**	**10,794**	**11,222**	**12,393**	**13,371**	**13,981**
Other income	4,720	4,674	5,093	4,473	5,123	5,090	6,158	4,418
Fees	**2,320**	**2,340**	**2,640**	**2,510**	**2,530**	**2,660**	**2,800**	**2,700**
Total Income	15,320	15,462	15,986	15,266	16,345	17,482	19,529	18,399
Operating Expenses	**7,157**	**7,310**	**7,636**	**7,211**	**7,561**	**7,429**	**7,278**	**7,689**
Employees	3,570	3,738	3,849	3,649	3,651	3,632	3,408	3,993
Others	3,587	3,571	3,787	3,562	3,910	3,796	3,871	3,697
Operating profit	8,162	8,153	8,350	8,055	10,174	10,053	12,468	10,956
Core PPoP	**7,562**	**7,568**	**7,716**	**6,873**	**7,761**	**9,414**	**10,693**	**10,022**
Provisions	**1,798**	**1,474**	**1,614**	**1,181**	**2,744**	**1,048**	**2,577**	**903**
Profit before tax	6,364	6,678	6,736	6,874	7,430	9,006	9,891	10,053
Taxes	1,628	1,718	1,602	1,659	1,691	2,106	2,641	2,496
Net Profit	4,736	4,960	5,134	5,215	5,740	6,900	7,250	7,557
Core PAT	**4,289**	**4,526**	**4,651**	**4,317**	**3,875**	**6,410**	**5,949**	**6,855**
Balance Sheet (INR m)								
Share capital	1,610	1,610	1,610	1,610	1,933	1,930	1,933	1,930
Reserves & surplus	107,397	112,310	117,685	122,850	126,031	132,800	139,145	147,390
Deposits	958,385	991,550	1,020,780	1,066,500	1,104,916	1,145,950	1,156,657	1,225,870
Borrowings	14,180	15,630	12,170	18,430	25,166	30,310	26,226	20,770
Other liabilities	44,159	42,630	41,429	44,320	42,945	44,680	42,069	47,680
Total liabilities	**1,125,731**	**1,163,730**	**1,193,674**	**1,253,710**	**1,300,990**	**1,355,670**	**1,366,031**	**1,443,640**
Cash & bank	56,873	53,870	78,067	72,660	62,058	51,170	53,026	68,720
Investments	232,138	249,600	238,313	254,000	278,237	297,820	290,199	292,020
Advances	796,188	823,020	840,045	889,440	921,849	965,420	981,906	1,040,990
Fixed assets	4,628	4,620	4,902	4,920	5,115	5,070	5,016	4,930
Other assets	35,904	32,620	32,347	32,690	33,732	36,190	35,883	36,980
Total assets	**1,125,731**	**1,163,730**	**1,193,674**	**1,253,710**	**1,300,990**	**1,355,670**	**1,366,031**	**1,443,640**
Balance sheet ratios (%)								
Loan growth	14.5	14.6	14.0	15.6	15.8	17.3	16.9	17.0
Deposit growth	15.4	15.7	14.5	15.5	15.3	15.6	13.3	14.9
LDR	83.1	83.0	82.3	83.4	83.4	84.2	84.9	84.9
CASA	29.5	28.4	27.3	27.5	27.7	27.2	26.9	27.6
Capital Adequacy (%)								
CET-1	15.4	15.0	17.1	16.3	15.6	15.1	17.7	18.0
Tier-2	0.9	0.9	1.1	1.0	1.0	1.0	1.0	0.6
CRAR	16.3	15.9	18.2	17.4	16.6	16.1	18.8	18.6
Profitability ratios (%)								
Yield on assets	9.4	9.0	8.9	9.1	9.1	8.8	8.8	9.2
Cost of funds	5.8	5.9	5.9	5.9	5.9	5.7	5.6	5.6
NIM	4.2	4.0	3.9	3.8	3.8	3.8	3.9	4.3
Fees/Assets	0.9	0.9	0.9	0.9	0.8	0.8	0.9	0.8
Cost/Income	46.7	47.1	47.2	47.2	46.3	45.2	43.0	41.8
Opex/avg assets	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5
RoA	1.8	1.7	1.7	1.8	1.9	1.9	2.0	2.2
Core RoA	1.6	1.7	1.7	1.5	1.3	2.0	1.9	2.0
RoE	18.4	18.2	17.7	17.9	18.9	19.1	19.3	21.9
Core RoE	17.1	17.3	16.9	15.0	13.1	20.6	18.3	20.0
EPS (INR)	23.5	23.7	24.1	25.9	23.8	24.7	26.0	31.3
BVPS (INR)	135.4	141.5	148.2	154.6	132.4	139.6	145.9	154.7
ABVPS (INR)	-	-	-	-	-	-	-	-
Asset quality ratios (%)								
GNPA	1.1	0.8	0.8	0.7	0.8	0.7	0.8	0.7
NNPA	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Provision coverage	75.2	75.9	74.1	71.3	75.2	73.3	75.0	74.6
Provision costs	1.0	0.8	0.8	0.6	1.3	0.7	0.8	0.4
Slippage	1.0	0.8	1.0	1.0	1.7	0.7	0.9	0.6
NNPA/Equity	2.0	1.5	1.4	1.4	1.4	1.4	1.3	1.3

Source: Company, PL

Financials

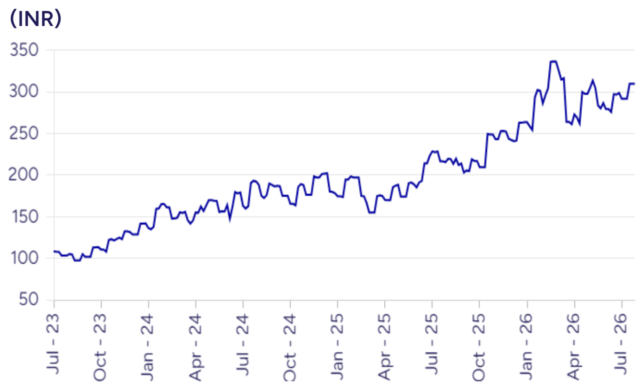
Y/e Mar	FY25	FY26	FY27E	FY28E
Income Statement (INR m)				
Interest earned	96,780	109,137	125,925	144,716
Interest expended	54,181	61,358	69,431	79,083
Net Interest Income	**42,599**	**47,779**	**56,495**	**65,633**
Other income	18,296	20,843	20,135	21,934
Fees	**9,646**	**9,988**	**11,105**	**12,486**
Net Total Income	60,895	68,622	76,630	87,568
Operating Expenses	**28,771**	**29,479**	**32,838**	**37,442**
Employees	14,492	14,340	16,195	18,168
Others	14,279.3	15,139.0	16,642.4	19,274.1
Operating profit	32,123	40,750	43,792	50,126
Core PPoP	**29,094**	**34,740**	**40,584**	**46,766**
Provisions	**6,216**	**7,549**	**6,365**	**8,003**
Profit before tax	25,907	33,200	37,427	42,122
Taxes	6,491.0	8,098.0	9,401.1	10,530.6
Net Profit	19,416	25,103	28,026	31,592
Core PAT	**17,146**	**20,551**	**25,623**	**29,072**
Growth Ratios (%)				
Loans	14.0	16.9	17.0	16.0
Deposits	14.5	13.3	16.8	16.0
NII	11.6	12.2	18.2	16.2
Fees	12.3	3.5	11.2	12.4
Opex	9.0	2.5	11.4	14.0
Core PPoP	20.7	19.4	16.8	15.2
Provisions	(14.7)	21.5	(15.7)	25.7
Core PAT	33.4	19.9	24.7	13.5
Profitability Ratios (%)				
Yield on IEA	8.9	8.8	8.8	8.7
Cost of funds	5.6	5.5	5.4	5.3
NIM	**3.9**	**3.9**	**3.9**	**3.9**
Cost/Income	47.2	43.0	42.9	42.8
Provision cost	**0.8**	**0.8**	**0.6**	**0.6**
Tax rate	25.1	24.4	25.1	25.0
Core RoA	**1.5**	**1.6**	**1.7**	**1.7**
Core RoE	**15.6**	**15.8**	**16.5**	**15.8**
Du-pont (%)				
Interest income	**8.6**	**8.5**	**8.5**	**8.4**
Interest expenses	**4.8**	**4.8**	**4.7**	**4.6**
NII	**3.8**	**3.7**	**3.8**	**3.8**
Other income	1.6	1.6	1.4	1.3
Fees/avg assets	**0.9**	**0.8**	**0.8**	**0.8**
Total income	**5.4**	**5.4**	**5.2**	**5.1**
Opex/avg assets	**2.6**	**2.3**	**2.2**	**2.2**
Staff cost	1.3	1.1	1.1	1.1
Other opex	1.3	1.2	1.1	1.1
PPOP	**2.9**	**3.2**	**3.0**	**2.9**
Core PPoP/avg assets	**2.6**	**2.7**	**2.7**	**2.7**
Provisions	0.6	0.6	0.4	0.5
PBT	**2.3**	**2.6**	**2.5**	**2.4**
Tax	0.6	0.6	0.6	0.6
RoA	**1.7**	**2.0**	**1.9**	**1.8**
RoE	**17.7**	**19.3**	**18.1**	**17.2**

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
Balance Sheet (INR m)				
Equity	119,295	141,079	168,877	198,925
Share capital	1,932	1,933	1,930	1,930
Deposits	1,020,780	1,156,657	1,351,281	1,567,156
Borrowings	12,170	26,226	21,067	21,605
Other Liabilities	41,429	42,069	52,405	59,442
Total liabilities	**1,193,674**	**1,366,031**	**1,593,630**	**1,847,128**
Cash with RBI	73,542	51,544	65,083	71,839
Balance with banks	4,525	1,483	8,974	13,139
Investments	238,313	290,199	324,307	376,118
Advances	840,045	981,906	1,148,589	1,332,083
Fixed assets	4,902	5,016	5,079	5,286
Other assets	32,347	35,883	41,597	48,663
Total assets	**1,193,674**	**1,366,031**	**1,593,630**	**1,847,128**
Balance sheet ratios (%)				
LDR	82.3	84.9	85.0	85.0
CASA	27.3	26.9	27.6	27.1
Inv/NDTL	22.2	23.7	22.8	22.8
Borr/NDTL	1.1	2.1	1.5	1.3
Assets/equity (x)	10.0	9.7	9.4	9.3
RWA/Loans	78.9	77.1	75.1	73.9
RWA/Total assets	55.5	55.4	54.1	53.3
Capital ratios (%)				
CRAR	18.2	18.8	19.1	19.6
CET-1	17.1	17.7	18.4	19.0
AT-1	-	-	-	-
Tier-2	1.1	1.0	0.7	0.6
Asset quality ratios (%)				
GNPA (INR mn)	6,418	7,438	7,728	8,673
NNPA (INR mn)	1,662	1,862	1,933	2,169
GNPA	1.2	1.0	0.9	0.9
NNPA	0.2	0.2	0.2	0.2
PCR	74.1	75.0	75.0	75.0
Slippage	0.7	1.0	1.0	1.0
NNPA / Equity	1.4	1.3	1.1	1.1
Per share (INR)				
EPS	20.1	26.0	29.0	32.7
DPS	2.2	3.0	3.2	3.6
BVPS	123.5	145.9	175.0	206.1
ABVPS	121.4	143.7	172.7	203.6
Valuation (x)				
Price (INR)	213.0	253.0	301.0	301.0
P/E	10.6	9.7	10.4	9.2
P/BV	1.7	1.7	1.7	1.5
P/ABV	1.8	1.8	1.7	1.5

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-May-26	BUY	345	314

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Axis Bank	BUY	1550	1329
2	Bank of Baroda	Accumulate	290	248
3	Canara Bank	Accumulate	150	125
4	Canara Robeco Asset Management Company	HOLD	280	252
5	City Union Bank	BUY	310	228
6	DCB Bank	BUY	155	185
7	Federal Bank	Accumulate	345	349
8	HDFC Asset Management Company	BUY	3040	2729
9	HDFC Bank	BUY	1040	820
10	ICICI Bank	BUY	1850	1444
11	ICICI Prudential Asset Management Company	BUY	3550	3206
12	Indian Bank	BUY	1000	843
13	IndusInd Bank	Accumulate	960	1022
14	Karur Vysya Bank	BUY	345	314
15	Kotak Mahindra Bank	BUY	480	390
16	Nippon Life India Asset Management	BUY	1050	1208
17	Prudent Corporate Advisory Services	Accumulate	2875	3021
18	State Bank of India	BUY	1200	1038
19	Union Bank of India	Accumulate	190	172
20	UTI Asset Management Company	HOLD	975	992

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=21151ea12dd366d1ac370cb42343ee44b6e851c37bdbac5f86aa4ff3e6948487, postalCode=400015, st=Maharashtra, serialNumber=7a6f13691881d5a8af6353865a61b48b7040e72f4a1bf53182e368b3ca14a5e4, cn=AMNISH AGGARWAL
Date: 2026.07.21 08:44:34 +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.