

24 January 2026

Setting high benchmark

Karur Vysya Bank (KVB IN) reported stellar Q3FY26 with improvement across most key operating metrics, delivering 2% plus RoA – a commendable feat. Q3 was characterized by: a) NIM (core) surprise (up 22bps QoQ, excluding one-off items in Q2FY26), benefitting from much lower funding cost (benefits of liability repricing), b) this with better loan growth of 4.7% QoQ fed into core NII growth (up >10% QoQ, excluding one-offs) and c) steady asset quality performance seen in restricted slippages and curtailed credit costs. Overall, KVB reported an all-round strong performance and upped its RoA guidance. KVB has performed well in this cycle and has been more consistent than peers.

Despite being conservative, we see the bank consistently delivering better 1.6%+ RoA and 15% plus RoE in the medium term (KVB seems a steady compounder). There could be certain variabilities on NIMs, which need to be watched, but KVB has been ably managing this. Moreover, KVB's higher RoA base give it cushion to manage the impact better than peers. The board has approved a two-year extension to current MD and CE – Mr. Ramesh Babu, which is another positive. We **maintain Accumulate** with a revised TP of INR 300 (earlier INR 265) as we roll over to December 2027E.

Transitioning well through challenges with steady performance across key operating metrics: Despite a challenging environment, KVB was able to deliver steady/improving performance. Q3 saw strong loan growth (up 4.7% QoQ), supported by growth in the RAM segment. NIMs (excluding one-offs) improved 22bps QoQ, and were managed well, feeding into ~10% QoQ NII (ex-one-offs). Setting a higher base, we see the bank managing any pressure on NIMs better. KVB has the cushion to mitigate the impact via curtailed credit cost, higher other income, thus rendering steady earnings momentum.

Slippages restricted, feeding into controlled credit costs: Slippages were restricted to INR 1.54bn (63bps vs. 1.2% QoQ), led by better slippages across segments. This restricted overall credit cost at sub-50bps (versus 80bps QoQ). Last quarter, some corporate slippages impacted the overall performance but excluding these, KVB performed well throughout the cycle.

KVB have delivered on asset quality much better and aims to sustain that performance, but we are conservatively building in higher credit cost, which may offer an upside to our estimates. Coverage (calculated) of >70% with floating buffer lends comfort, in our view. Two factors that warrant a watch are: a) slippage in the retail segment (till now trends are stable) and b) transition to ECL, which will be a key variable, in our view.

Maintain Accumulate; TP raised to INR 300: KVB has overcome tough times to deliver a strong Q3. The bank has delivered much better than peers during the cycle and outcomes are getting more predictable. Factoring better core momentum and lower credit costs we raise our FY27/FY28 book value by 3%/5%. **We maintain Accumulate with a raised TP of INR 300**, as we roll over to December 2027E, assigning 1.5x P/BV for RoA/RoE of 1.6%/14-15% in the medium term. That said, KVB could sustainably outperform peers on core performance—similar to what we saw this quarter—which would drive a re-rating.

Key Financials

YE March (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
PPoP (INR mn)	28,291	32,123	37,351	42,476	48,434
YoY (%)	14.3	13.5	16.3	13.7	14.0
NP (INR mn)	16,048	19,416	23,329	25,375	28,093
YoY (%)	45.1	21.0	20.2	8.8	10.7
EPS (INR)	20.0	24.1	24.2	26.3	29.1
YoY (%)	44.7	20.9	0.2	8.8	10.7
P/PPoP (x)	9.1	8.0	6.9	6.0	5.3
RoAE (%)	17.2	17.7	17.8	16.4	15.5
RoAA (%)	1.7	1.8	1.9	1.8	1.7
P/E (x)	13.3	11.0	11.0	10.1	9.1
P/ABV (x)	2.2	1.8	1.8	1.5	1.3

Note: Pricing as on 23 January 2026; Source: Company, Elara Securities Estimate

Rating: **Accumulate**

Target Price: **INR 300**

Upside: **13%**

CMP: **INR 266**

As on 23 January 2026

Key data

Bloomberg	KVB IN
Reuters Code	KARU.NS
Shares outstanding (mn)	966
Market cap (INR bn/USD mn)	257/2,790
EV (INR bn/USD mn)	0/0
ADTV 3M (INR mn/USD mn)	585/6
52 week high/low	281/154
Free float (%)	97

Note: as on 23 January 2026; Source: Bloomberg

Price chart



Source: Bloomberg

Shareholding (%)	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26
Promoter	2.1	2.1	2.1	2.1
% Pledge	0.0	0.0	0.0	0.0
FII	15.1	15.4	15.8	16.9
DII	38.9	39.5	40.0	40.2
Others	43.9	45.1	42.1	40.9

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	(3.3)	(0.7)	7.9
Karur Vysya Bank	7.9	17.4	36.5
NSE Mid-cap	(3.9)	(2.7)	6.2
NSE Small-cap	(11.2)	(14.2)	(6.3)

Source: Bloomberg

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Financials (YE March)

Income Statement (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Net interest income	38,092	42,599	48,015	54,890	62,528
Fee income	10,945	12,149	13,547	15,199	17,023
Trading profits	400	700	1,100	900	900
Non-interest income	16,587	18,296	20,080	21,556	23,404
Net operating revenue	54,679	60,895	68,094	76,446	85,932
Operating expenses	26,388	28,771	30,743	33,970	37,498
Pre-provisioning operating profit	28,291	32,123	37,351	42,476	48,434
Total provisions	7,290	6,216	6,162	8,552	10,877
Profit before tax	21,002	25,907	31,189	33,924	37,558
Tax	4,954	6,491	7,860	8,549	9,465
Minorities/exceptionals	-	-	-	-	-
Profit after tax	16,048	19,416	23,329	25,375	28,093
Balance Sheet (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Customer loans	736,675	840,045	981,173	1,122,462	1,279,607
Investments	223,435	238,313	289,422	321,626	364,305
Cash & bank balances	56,586	78,067	60,433	85,367	95,746
Fixed assets	4,329	4,902	5,032	5,162	5,292
Other assets	34,828	32,347	35,582	38,429	41,503
Total Assets	1,055,852	1,193,674	1,371,641	1,573,045	1,786,453
Net worth	100,401	119,295	142,343	167,117	194,608
Deposits	891,127	1,020,780	1,171,855	1,338,259	1,525,615
Borrowings	24,784	12,170	13,096	16,771	14,208
Other liabilities	39,541	41,429	44,347	47,502	50,917
Total Liabilities	1,055,852	1,193,674	1,371,641	1,573,045	1,786,453
Key operating ratios (%)	FY24	FY25	FY26E	FY27E	FY28E
Lending yield	10.0	10.2	10.0	9.8	9.7
Cost of Funds	5.0	5.3	5.4	5.3	5.2
Spreads	3.8	3.6	3.5	3.4	3.4
Net interest margin	4.0	3.9	3.9	3.8	3.8
CASA Ratio	30.4	27.3	27.6	27.9	28.2
Non-interest income / operating income	30.3	30.0	29.5	28.2	27.2
Cost/income	48.3	47.2	45.1	44.4	43.6
Operating expense/avg assets	(2.8)	(2.6)	(2.5)	(2.4)	(2.3)
Credit costs / avg loans	(0.8)	(0.6)	(0.5)	(0.6)	(0.7)
Effective tax rate	23.6	25.1	25.2	25.2	25.2
Loan deposit ratio	82.7	82.3	83.7	83.9	83.9
ROA decomposition (%)	FY24	FY25	FY26E	FY27E	FY28E
NII /Assets	4.0	3.9	3.9	3.8	3.8
Fees/Assets	1.2	1.1	1.1	1.1	1.0
Invst profits/Assets	0.0	0.1	0.1	0.1	0.1
Net revenues/Assets	5.8	5.5	5.4	5.3	5.2
Opex /Assets	(2.8)	(2.6)	(2.5)	(2.4)	(2.3)
Provisions/Assets	(0.8)	(0.6)	(0.5)	(0.6)	(0.7)
Taxes/Assets	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)
Total costs/Assets	(4.1)	(3.8)	(3.6)	(3.6)	(3.5)
ROA	1.7	1.8	1.9	1.8	1.7
Equity/Assets	9.9	10.1	10.5	10.8	11.1
ROAE	17.2	17.7	17.8	16.4	15.5
Key financial ratios (%)	FY24	FY25	FY26E	FY27E	FY28E
Gross NPL	1.4	0.8	0.7	0.7	0.8
Net NPL	0.4	0.2	0.2	0.2	0.3
Slippage ratio	1.1	0.9	1.0	1.1	1.1
Per share data (INR)					
EPS	20	24	24	26	29
BVPS	125	148	148	173	202
Adj- BVPS	122	147	146	171	199
Valuation (x)					
P/BV	2.1	1.8	1.8	1.5	1.3
P/ABV	2.2	1.8	1.8	1.5	1.3
P/E	13.3	11.0	11.0	10.1	9.1

Note: Pricing as on 23 January 2026; Source: Company, Elara Securities Estimate

KVB: Q3FY26 earnings call highlights

Business momentum

- ▶ KVB's total business reached INR 2.11tn, up 4% QoQ/16% YoY. Advances grew 5% QoQ/16% YoY and deposits 4% QoQ/17% YoY.
- ▶ Business mix continued to remain the same with 86% share of RAM and balance by corporate book.
- ▶ **Given low yields and that heightened competition, growth has mellowed in housing and vehicle loans (de-growth is expected to continue in vehicle loans in the FY27)**
- ▶ To enhance the MSME business, KVB has introduced small business group relationship model across 79 branches, identified for their growth potential. In this segment, relationship managers are tasked with acquiring new small business customers, ensuring quality disbursals and sustained customer engagement through the financial year end before transferring the relationship to the branches.
- ▶ *In the commercial segment, KVB exited a few weaker accounts consciously, conscious of acquisition of accounts both in terms of quality and pricing. It allowed a few accounts to be taken over by others due to lower pricing. The textile business saw lower utilization in Q3FY26.*
- ▶ As gold prices are rising, KVB has strengthened monitoring to avoid any shocks.
- ▶ In the corporate book, KVB has identified a few sectors such as CRE, Capital Markets, and EPC contractors to maintain spreads and risk adjusted returns.
- ▶ Fixed rate book was 15% in Sep '25 and has increased in Dec'25. EBLR book stood at 55%, and MCLR was 29%.
- ▶ **KVB is in the process of launching revamped of credit card business in Q4FY26, and growth will be in a calibrated manner.**
- ▶ MFI portfolio stood at INR 2.73bn versus INR 3.3bn in Q3FY25. All fresh exposures are covered under the guarantee cover.
- ▶ Gold loans portfolio is largely fixed, and differentiator is relationship based with faster TAT.
- ▶ Only small portion of exporters have asked for dispensation under trade relief measures. None of the exporters have asked for additional funding.
- ▶ **Management highlighted that loan growth is not an issue, and the focus should be on deposits to support loan growth.**
- ▶ LAP book: The market started opening up 4-5 years ago, and own channel has been leveraged to garner business.
- ▶ The unsecured book was 1.91% of the total advances.
- ▶ Inflows into current accounts toward quarter-end exceeded expectations, further supporting overall deposit growth.

Asset quality

- ▶ KVB had guided for recovery from written off accounts, which has been met at INR 6bn.
- ▶ Slippages were 0.63% for Q3FY26 (annualized), in-line with management guidance of sub-1%.
- ▶ SMA 30+ has come down to 0.24% from 0.27% in Q2FY26.
- ▶ Credit cost was 0.47% in Q3FY26.
- ▶ The standard restructured portfolio stood at 0.45% of total loans and continued to perform satisfactorily. The bank holds provisions of INR 440mn.
- ▶ **Asset quality: GNPA: <1.5%, NNPA: <1.0%, Slippage ratio: <1.0% (reiterated)**
- ▶ LGD in vehicle loans is also high even after repossession.

Cost, margins, and other highlights

- ▶ The bank had guided for an NIM range of 3.5-3.7% for FY26, which it has met, with Q3FY26 NIM at 3.99%, driven by a 16bps reduction in cost of funds and a 6bps increase in yield of funds.
- ▶ Yield on advances is expected to be slightly lower in the next quarter, as the impact of the 25bps cut in Dec'25 is passed on.
- ▶ Yield on investments improved by 4bps in Q3. This was primarily due to reinvestment and incremental deployment being made at higher yields, with a preference for SDLs offering better spreads over central government securities.
- ▶ Cost of funds benefit may not continue in the next quarter as only ~10% deposits would be repriced in Q4FY26 versus 20% repricing in Q3FY26.
- ▶ **Management raised its NIM guidance for FY26 to 3.9-3.95% (from 3.7- 3.75% earlier).**
- ▶ PSLC income was INR 33.5mn in Q3FY26.
- ▶ Treasury income was INR 160mn in Q3FY26 (INR 180mn in Q3FY25).
- ▶ The bank is focused on improving its income from bancassurance and non-fund-based facilities.
- ▶ Regarding the New Labor Code, the bank has made a provision of INR 16.4mn.
- ▶ The bank opened 10 branches in 9MFY26, and aims to open six in Q4FY26.
- ▶ Of the total branches, lite branches are only 40-50%.
- ▶ **RoA would be 1.85%+ for FY26.**
- ▶ **The CEO Mr. Ramesh Babu has received an extension for two years from board and the RBI will be approached for extension.**
- ▶ Average LCR for the quarter was 133%, and the impact of new circular would be 5-10%.

Exhibit 1: KVB reported PAT of INR 6.9bn, supported by better core income

(INR mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
NII	9,154	10,013	9,955	10,244	10,600	10,788	10,893	10,794	12,612	12,393
Other income	3,389	3,578	6,289	3,884	4,720	4,674	5,093	4,473	5,123	5,090
Net revenue	12,543	13,591	16,243	14,127	15,320	15,462	15,986	15,266	17,735	17,482
Opex	6,164	6,832	7,574	6,669	7,157	7,310	7,636	7,211	7,561	7,429
PPoP	6,379	6,759	8,669	7,459	8,162	8,153	8,350	8,055	10,174	10,053
Provisions	1,264	1,497	2,934	1,329	1,798	1,474	1,614	1,181	2,744	1,048
PAT	3,785	4,116	4,561	4,587	4,736	4,960	5,134	5,215	5,740	6,900
YoY (%)										
NII	11.4	12.6	11.5	14.2	15.8	7.7	9.4	5.4	19.0	14.9
Other Income	40.3	12.7	56.9	16.6	39.3	30.6	(19.0)	15.2	8.5	8.9
Net revenue	18.0	12.7	25.6	14.8	22.1	13.8	(1.6)	8.1	15.8	13.1
Opex	25.6	32.0	36.6	14.6	16.1	7.0	0.8	8.1	5.6	1.6
PPoP	11.5	(1.9)	17.3	15.0	28.0	20.6	(3.7)	8.0	24.6	23.3
Provisions	(44.4)	(58.9)	0.1	(16.6)	42.3	(1.5)	(45.0)	(11.1)	52.6	(28.9)
PAT	51.2	42.3	35.0	27.9	25.1	20.5	12.6	13.7	21.2	39.1
QoQ (%)										
NII	2.0	9.4	(0.6)	2.9	3.5	1.8	1.0	(0.9)	16.8	(1.7)
Other Income	1.7	5.6	75.8	(38.2)	21.5	(1.0)	9.0	(12.2)	14.5	(0.7)
Net revenue	2.0	8.4	19.5	(13.0)	8.4	0.9	3.4	(4.5)	16.2	(1.4)
Opex	5.9	10.8	10.9	(12.0)	7.3	2.1	4.5	(5.6)	4.9	(1.8)
PPoP	(1.6)	6.0	28.3	(14.0)	9.4	(0.1)	2.4	(3.5)	26.3	(1.2)
Provisions	(20.7)	18.4	96.0	(54.7)	35.3	(18.0)	9.5	(26.8)	132.2	(61.8)
PAT	5.5	8.8	10.8	0.6	3.3	4.7	3.5	1.6	10.1	20.2

Source: Company, Elara Securities Research

Exhibit 2: Loans grew by 17.2% YoY/4.7% QoQ

INR mn	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Loan book	704,480	726,920	744,230	777,100	802,990	828,380	844,910	893,740	927,240	970,520
% YoY	15.2	17.1	16.0	16.1	14.0	14.0	13.5	15.0	15.5	17.2
% QoQ	5.2	3.2	2.4	4.4	3.3	3.2	2.0	5.8	3.7	4.7

Source: Company, Elara Securities Research

Exhibit 3: RAM segment is key growth driver for advances, constituting ~86% of the total loan book

Loan-book mix	(INR mn)			Loan mix (%)			Loan growth (%)	
INR mn	Q3FY25	Q2FY26	Q3FY26	Q3FY25	Q2FY26	Q3FY26	YoY (%)	QoQ(%)
Retail	204,760	240,230	254,240	24.7	25.9	26.2	24.2	5.8
Agriculture	197,050	226,140	236,170	23.8	24.4	24.3	19.9	4.4
Commercial	298,240	332,090	343,470	36.0	35.8	35.4	15.2	3.4
Corporate	128,330	128,780	136,640	15.5	13.9	14.1	6.5	6.1
Total	828,380	927,240	970,520	100.0	100.0	100.0	17.2	4.7

Source: Company, Elara Securities Research

Exhibit 4: LAP and Jewels continue to drive retail loans

Retail loan-book mix	(INR mn)			Loan growth (%)		Loan mix (%)		
INR mn	Q3FY25	Q2FY26	Q3FY26	QoQ	YoY	Q3FY25	Q2FY26	Q3FY26
Housing	84,050	82,890	82,530	(0.4)	(1.8)	41.0	34.5	33.4
Jewel	31,230	48,000	53,140	10.7	70.2	15.3	20.0	21.5
LAP	52,660	74,130	84,510	14.0	60.5	25.7	30.9	34.2
Vehicle	10,710	9,290	8,790	(5.4)	(17.9)	5.2	3.9	3.6
Personal	2,620	2,510	2,420	(3.6)	(7.6)	1.3	1.0	1.0
Consumer Credit - BNPL	9,770	9,040	1,330	(85.3)	(86.4)	4.8	3.8	0.5
Educational	1,500	1,480	1,330	(10.1)	(11.3)	0.7	0.6	0.5
Others	12,220	12,890	13,040	1.2	6.7	6.0	5.4	5.3
Total	204,760	240,230	247,090	2.9	20.7	100.0	100.0	100.0

Source: Company, Elara Securities Research

Exhibit 5: Deposit growth was led by term deposits, resulting in CASA ratio declining 50bps QoQ to 27.2%

INR mn	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Deposits	830,680	856,650	891,130	923,490	958,390	991,550	1,020,780	1,066,500	1,104,920	1,145,950
% YoY	13.2	12.8	16.3	14.4	15.4	15.7	14.5	15.5	15.3	15.6
% QoQ	2.9	3.1	4.0	3.6	3.8	3.5	2.9	4.5	3.6	3.7
Current Account	81,550	85,080	82,830	87,270	88,410	88,280	83,530	93,920	97,760	99,220
% YoY	1.7	8.0	11.1	7.5	8.4	3.8	0.8	7.6	10.6	12.4
% QoQ	0.5	4.3	(2.6)	5.4	1.3	(0.1)	(5.4)	12.4	4.1	1.5
Savings Account	186,390	185,040	188,020	193,150	193,910	193,390	194,790	199,140	207,790	212,770
% YoY	4.2	3.3	4.5	4.8	4.0	4.5	3.6	3.1	7.2	10.0
% QoQ	1.1	(0.7)	1.6	2.7	0.4	(0.3)	0.7	2.2	4.3	2.4
Term Deposits	562,740	586,530	620,280	643,070	676,070	709,880	742,460	773,440	799,370	833,960
% YoY	18.5	17.0	21.2	18.7	20.1	21.0	19.7	20.3	18.2	17.5
% QoQ	3.9	4.2	5.8	3.7	5.1	5.0	4.6	4.2	3.4	4.3
CASA Ratio	32.3	31.5	30.4	30.4	29.5	28.4	27.3	27.5	27.7	27.2

Source: Company, Elara Securities Research

Exhibit 6: With reduction in cost of funds, NIMs moved up by 22bps QoQ to 3.99%

%	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net interest margin	4.07	4.32	4.19	4.13	4.11	4.03	4.05	3.86	3.77	3.99
Yield on advances	9.76	10.16	10.08	10.10	10.08	10.16	10.21	10.00	9.76	9.77
Cost of funds	5.19	5.30	5.41	5.49	5.55	5.66	5.75	5.78	5.63	5.47
Cost of deposits	5.16	5.25	5.36	5.48	5.56	5.66	5.74	5.77	5.60	5.47

Source: Company, Elara Securities Research

Exhibit 7: Slippages declined, resulting in lower credit cost

INR mn	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Opening GNPA	13,300	12,190	11,520	10,420	10,250	8,860	6,920	6,430	5,940	7,090
Slippages	1,550	1,970	2,010	1,740	1,810	1,390	1,790	1,880	3,500	1,540
Reductions	2,660	2,640	3,110	1,910	3,200	3,330	2,280	2,370	2,350	1,750
Closing GNPA	12,190	11,520	10,420	10,250	8,860	6,920	6,430	5,940	7,090	6,880
GNPL (%)	1.73	1.58	1.40	1.32	1.10	0.83	0.76	0.66	0.76	0.71
NNPL (%)	0.47	0.42	0.40	0.38	0.28	0.20	0.20	0.19	0.19	0.19
PCR (%) - Calculated	73.45	73.50	71.39	71.34	75.25	75.87	74.10	71.27	75.17	73.32
Credit cost (%) - Calculated	0.75	0.85	1.61	0.71	0.92	0.73	0.78	0.55	1.21	0.44

Source: Company, Elara Securities Research

Exhibit 8: GNPA across segments has seen mixed trends

GNPLs - INR mn	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Agriculture	840	800	810	810	710	580	600	760	950	960
Commercial	6,730	5,800	4,870	4,590	4,080	3,230	3,070	2,830	2,140	2,300
Corporate	1,540	1,770	1,260	1,260	1,430	1,070	1,010	840	2,430	2,430
Retail	3,080	3,150	3,480	3,590	2,640	2,030	1,740	1,490	1,550	1,170
Total	12,190	11,520	10,420	10,250	8,860	6,910	6,420	5,920	7,070	6,860

Source: Company, Elara Securities Research

Exhibit 9: Outstanding stressed book declined by 10bps to 1.6% of loans

INR mn	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
GNPLs	12,190	11,520	10,420	10,250	8,860	6,910	6,420	5,920	7,070	6,860
Std. restructured book	8,470	7,950	7,150	6,630	6,310	6,080	5,370	5,060	4,680	4,330
Net Security Receipts	0	0	0	0	0	0	0	300	300	300
Total stress book	20,660	19,470	17,570	16,880	15,170	12,990	11,790	10,980	11,750	11,190
Stress book (%) of loans	3.0	2.8	2.6	2.5	2.2	1.9	1.7	1.6	1.7	1.6

Source: Company, Elara Securities Research

Exhibit 10: KVB is well capitalized with tier-1 of 15.06%

%	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Tier-1	15.19	13.87	15.46	15.58	15.39	15.03	17.12	16.33	15.58	15.06
Tier-2	1.65	1.52	1.21	0.89	0.89	0.88	1.05	1.03	1.00	0.99
CRAR	16.84	15.39	16.67	16.47	16.28	15.91	18.17	17.36	16.58	16.05

Source: Company, Elara Securities Research

Exhibit 11: Q3FY26 results highlight

INR mn	Q3FY26	Q2FY26	QoQ (%)	Q3FY25	YoY (%)
Interest income	27,942	28,080	(0.5)	24,860	12.4
Interest expenses	15,549	15,468	0.5	14,072	10.5
Net interest income	12,393	12,612	(1.7)	10,788	14.9
Other income	5,090	5,123	(0.7)	4,674	8.9
Operating expenses	7,429	7,561	(1.8)	7,310	1.6
Staff expense	3,632	3,651	(0.5)	3,738	(2.8)
Other opex	3,796	3,910	(2.9)	3,571	6.3
Pre prov op profit (PPP)	10,053	10,174	(1.2)	8,153	23.3
Provisions	1,048	2,744	(61.8)	1,474	(28.9)
Profit before tax	9,006	7,430	21.2	6,678	34.9
Provision for tax	2,106	1,691	24.6	1,718	22.6
Profit after tax	6,900	5,740	20.2	4,960	39.1
EPS (INR)	7.1	5.9		6.2	
Ratios (%)					
NII / GII	44.4	44.9		43.4	
Cost - income	42.5	42.6		47.3	
Provisions / PPOP	10.4	27		18.1	
Tax rate	23.4	22.8		25.7	
Balance sheet data					
Advances (INR bn)	965	922	4.7	823	17.3
Deposits (INR bn)	1,146	1,105	3.7	992	15.6
CD ratio (%)	84.2	83.4		83	
Asset quality					
Gross NPA	6,869	7,078	(3.0)	6,909	(0.6)
Gross NPAs (%)	0.7	0.8		0.8	
Net NPA	1,833	1,758	4.3	1,667	10.0
Net NPA(%)	0.2	0.2		0.2	
Provision coverage (%)	73.3	75.2		75.9	

Source: Company, Elara Securities Research

Exhibit 12: Change in estimates

INR mn	Revised			Old			% Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Interest Income	48,015	54,890	62,528	45,875	51,899	59,320	4.7	5.8	5.4
Operating Profit	37,351	42,476	48,434	35,168	39,105	44,805	6.2	8.6	8.1
Net Profit	23,329	25,375	28,093	21,239	21,876	24,029	9.8	16.0	16.9
TP (INR)			300			265			13

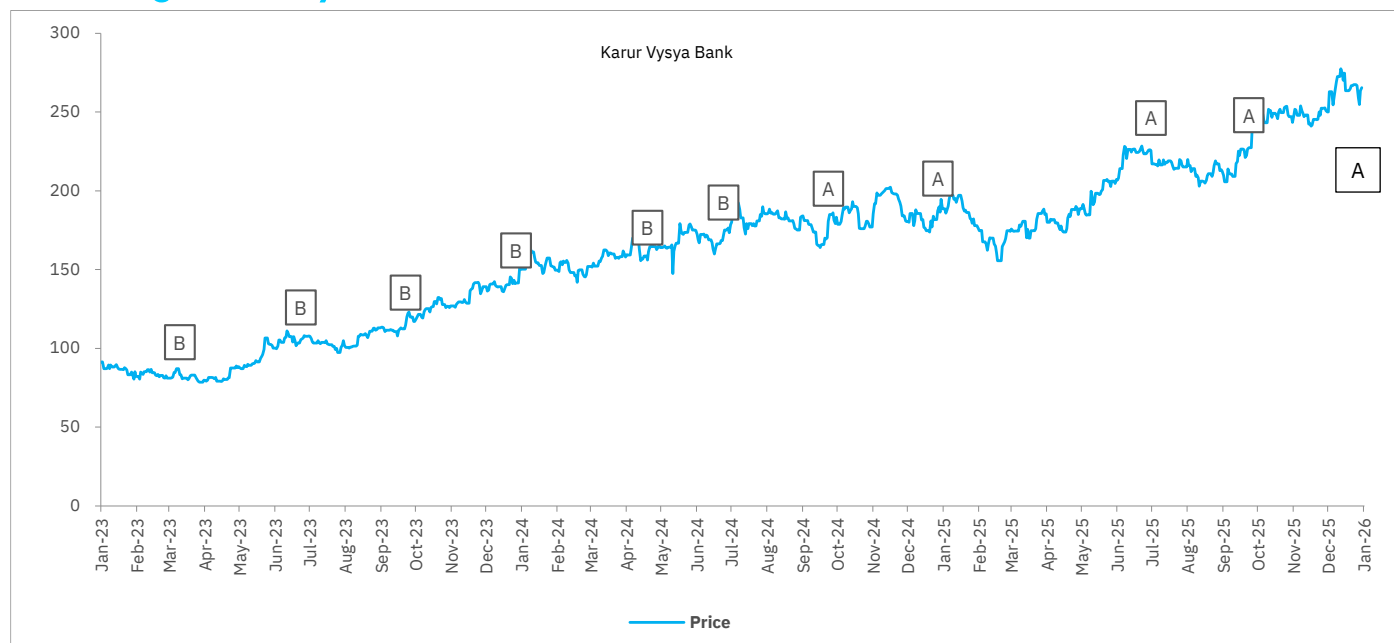
Source: Company, Elara Securities Research

Exhibit 13: Valuation Assumptions

Particulars	INR
BVPS as of Dec'27	195
Target multiple (x)	1.5
Target Price	300
CMP	266
Upside (%)	13%

Source: Elara Securities Estimate

Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
03-Apr-2023	Buy	125	100
17-Jul-2023	Buy	150	127
16-Oct-2023	Buy	165	138
20-Jan-2024	Buy	198	170
13-May-2024	Buy	220	187
18-Jul-2024	Buy	242	205
17-Oct-2024	Accumulate	242	217
20-Jan-2025	Accumulate	264	225
24-Jul-2025	Accumulate	300	271
17-Oct-2025	Accumulate	265	227
23-Jan-2026	Accumulate	300	266

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