

BUY

TP: Rs 263 | ▲ 16%

KARUR VYSYA BANK

| Banking

| 18 October 2025

Return metrics to outperform peers

- **Asset quality remains better than peers; stressed assets stay low at 0.52% of total assets**
- **Return ratios remain better vs peers; also aided by recovery from TWO accounts**
- **Maintain BUY with TP of Rs 263 (earlier Rs 251), ascribing 1.5x Sep'27E ABV**

Niraj Jalan

Research Analyst

Vijiya Rao

Research Analyst

research@bobcaps.in

Asset quality remains better than peers: KVB's asset quality remains better than peers with GNPA ratio of 0.76% (+10bps QoQ) as of Sep'25. However, it deteriorated marginally due to rise in slippages to Rs 3.5bn (+86% QoQ) or slippage ratio of 1.2% (+32bps QoQ). Slippages increased mainly due to two lumpy corporate accounts of Rs 2.2bn (62% of total slippages in Q2FY26). As a result, the SMA 30+ declined to 0.27% (Sep'25) from 0.60% (Jun'25). PCR (excluding TWO) increased to 75% (Sep'25) vs 71% (Jun'25), which resulted in a sequential stable net NPA of 0.19%. Further, stressed asset (net NPA + std restructured + net SRs) improved to Rs 6.7bn (0.52% of total assets) as of Sep'25 vs Rs 7.1bn (0.54%) as of Jun'25. Management expects slippages and net NPA to remain <1%. With a low stress pipeline and nominal EAI due to the imposition of U.S. tariffs (1.2% of gross loans as of Jun'25), we expect the bank's asset quality to fare better than peers.

Return ratios remain better vs peers; also aided by recovery from TWO accounts: KVB reported a significant rise in PPOP to Rs 10.2bn (+25 YoY; +26% QoQ) in Q2FY26. This was mainly supported by recovery from TWO account of Rs 2.95bn (principal of Rs 1.56bn + interest of Rs 1.39bn). KVB utilised the recovery amount to provide for slippages of two lumpy corporate accounts and hence, charged provisions of Rs 1.86bn in Q2FY26. As a result, the bank reported PAT of Rs 5.7bn (+21% YoY; +10% QoQ). Excluding the recovery from TWO and one-off provisions, PAT would have been at Rs 4.9bn (+3% YoY; -6% QoQ). Return ratios stay better vs peers with RoA/RoE of 1.8%/ 17.9%. Management guided NIMs of 3.7-3.75% (3.77% after excluding interest recovery of Rs 1.39 bn from TWO in Q2FY26) and RoA of 1.55-1.65% in FY26.

Maintain BUY: KVB's adequate capital position (Tier I of 15.6% as of Sep'25), credit growth higher than system levels (+15.8% YoY) & pristine AQ resulted in the bank consistently outperforming peers in terms of return profile. Management guided credit growth (15.8% YoY) to be 2% above the system growth. We expect the bank to deliver healthy return ratios with RoA/ RoE of 1.8%/ 16.8% by FY28E. We maintain BUY and roll over the valuation to 1.5x Sep'27E ABV with TP of Rs 263 (earlier Rs 251) vs currently trading at 1.3x Sep'27E ABV.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	KVB IN/Rs 227
Market cap	US\$ 2.5bn
Free float	98%
3M ADV	US\$ 4.8mn
52wk high/low	Rs 232/Rs 154
Promoter/FPI/DII	2%/16%/39%

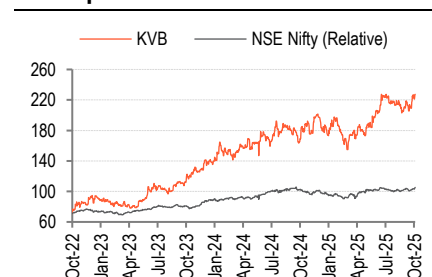
Source: NSE | Price as of 17 Oct 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	42,599	46,520	53,129
NII growth (%)	11.6	9.2	14.2
Adj. net profit (Rs mn)	19,416	21,912	25,341
EPS (Rs)	20.1	22.7	26.2
Consensus EPS (Rs)	20.1	21.1	24.3
P/E (x)	11.3	10.0	8.7
P/BV (x)	1.8	1.6	1.4
ROA (%)	1.7	1.7	1.7
ROE (%)	17.7	17.0	16.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly snapshot: Income statement

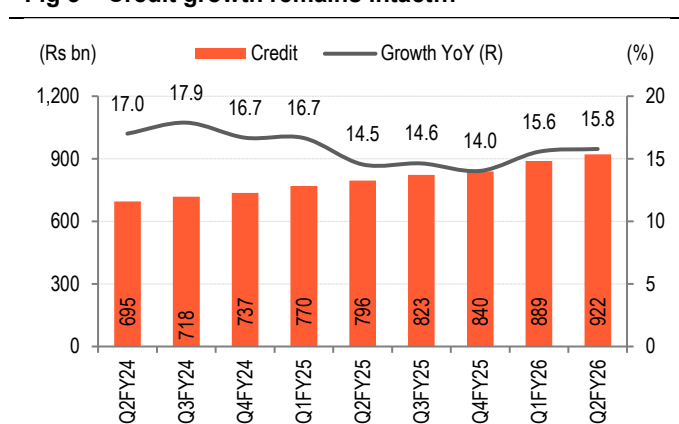
(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Income Statement							
Interest Income	19,761	20,555	20,805	21,306	23,292	17.9	9.3
Income on investments	3,932	4,228	4,214	4,175	4,672	18.8	11.9
Int. on bal. with RBI & inter-bank funds & Others	147	78	141	204	116	(21.0)	(43.3)
Interest income	23,840	24,860	25,159	25,686	28,080	17.8	9.3
Interest expense	13,241	14,072	14,267	14,892	15,468	16.8	3.9
Net interest income	10,600	10,788	10,893	10,794	12,612	19.0	16.8
Growth YoY (%)	15.8	7.7	9.2	5.1	19.0		
Fee Income	2,320	2,340	2,640	2,510	2,530	9.1	0.8
Others	2,400	2,334	2,453	1,963	2,593	8.0	32.1
Non-interest income	4,720	4,674	5,093	4,473	5,123	8.5	14.5
Growth YoY (%)	39.3	30.6	(18.7)	15.9	8.5		
Total income	15,320	15,462	15,986	15,266	17,735	15.8	16.2
Growth YoY (%)	22.1	13.8	(1.6)	8.1	15.8		
Staff expenses	3,570	3,738	3,849	3,649	3,651	2.3	0.1
Other operating expenses	3,587	3,571	3,787	3,562	3,910	9.0	9.8
Operating expenses	7,157	7,310	7,636	7,211	7,561	5.6	4.9
Pre-Provisioning Profit (PPoP)	8,162	8,153	8,350	8,055	10,174	24.6	26.3
Growth YoY (%)	28.0	20.6	(3.7)	8.0	24.6		
Provisions	1,798	1,474	1,614	1,181	2,744	52.6	132.2
Growth YoY (%)	42.3	(1.5)	(45.0)	(11.1)	52.6		
Exceptional Item	-	-	-	-	-	-	-
PBT	6,364	6,678	6,736	6,874	7,430	16.8	8.1
Tax	1,628	1,718	1,602	1,659	1,691	3.8	1.9
PAT	4,736	4,960	5,134	5,215	5,740	21.2	10.1
Growth YoY (%)	25.1	20.5	12.6	13.7	21.2		
Per Share							
FV (Rs)	2	2	2	2	2		
EPS (Rs)	5	6	6	5	6	21.2	10.0
Book Value (Rs)	113	118	123	129	132	17.3	2.8

Source: Company, BOBCAPS Research

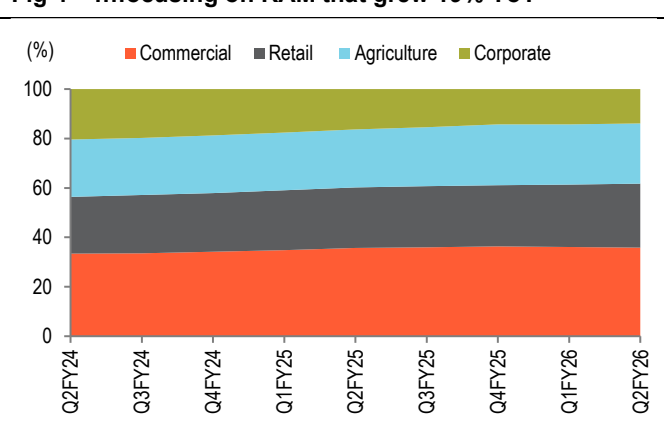
Fig 2 – Quarterly snapshot: Balance sheet & other key metrics

Balance sheet (Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Deposits	9,58,385	9,91,550	10,20,780	10,66,500	11,04,916	15.3	3.6
Growth YoY (%)	15.4	15.7	14.5	15.5	15.3		
Advances	7,96,188	8,23,020	8,40,045	8,89,440	9,21,849	15.8	3.6
Growth YoY (%)	14.5	14.6	14.0	15.6	15.8		
Investment	2,32,138	2,49,600	2,38,313	2,54,000	2,78,237	19.9	9.5
Equity	1,09,007	1,13,920	1,19,295	1,24,460	1,27,963	17.4	2.8
Assets	11,25,731	11,63,730	11,93,674	12,53,710	13,00,990	15.6	3.8
Growth YoY (%)	14.4	13.1	13.2	15.3	15.6		
Yield (%)							
Yield on Funds	8.93	8.99	8.82	8.66	9.06	13bps	40bps
Cost of Funds	5.52	5.69	5.59	5.63	5.59	6bps	(4bps)
Spread	3.41	3.31	3.22	3.04	3.48	7bps	44bps
Net Interest Margin	3.97	3.90	3.82	3.64	4.07	10bps	43bps
Ratios (%)							
Other Income / Net Income	30.8	30.2	31.9	29.3	28.9	(192bps)	(41bps)
Cost to Income ratio	46.7	47.3	47.8	47.2	42.6	(408bps)	(460bps)
CASA ratio	29.5	28.4	27.3	27.5	27.7	(180bps)	18bps
C/D ratio	83.1	83.0	82.3	83.4	83.4	36bps	3bps
Investment to Assets	20.6	21.4	20.0	20.3	21.4	77bps	113bps
Assets Quality							
GNPA	8,856	6,909	6,418	5,926	7,078	(20.1)	19.4
NNPA	2,192	1,667	1,662	1,703	1,758	(19.8)	3.2
Provision	6,664	5,242	4,756	4,223	5,321	(20.2)	26.0
GNPA (%)	1.10	0.83	0.76	0.66	0.76	(34bps)	10bps
NNPA (%)	0.28	0.20	0.20	0.19	0.19	(9bps)	0bps
Provision (%)	74.55	75.90	73.68	71.21	75.17	63bps	396bps
Others (Nos)							
Branches	841	866	888	888	895	54	7
ATMs	2,208	2,197	2,252	2,226	2,225	17	(1)

Source: Company, BOBCAPS Research

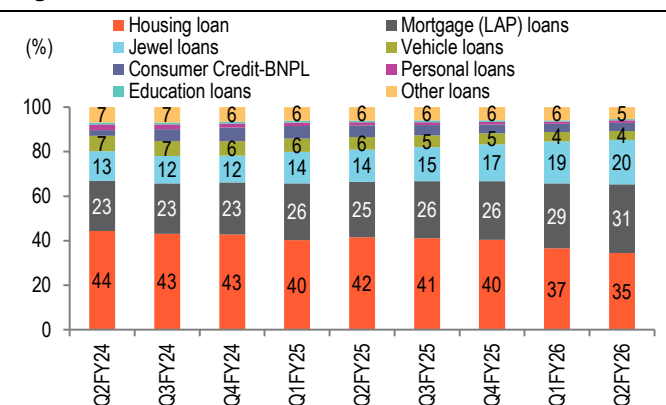
Fig 3 – Credit growth remains intact...

Source: Company, BOBCAPS Research

Fig 4 – ...focusing on RAM that grew 19% YoY

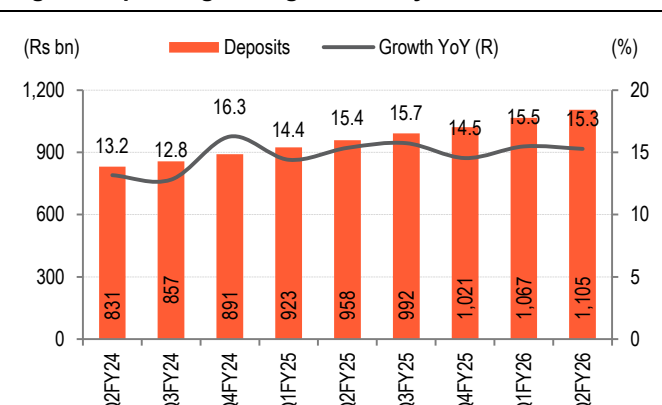
Source: Company, BOBCAPS Research

Fig 5 – Retail loan mix



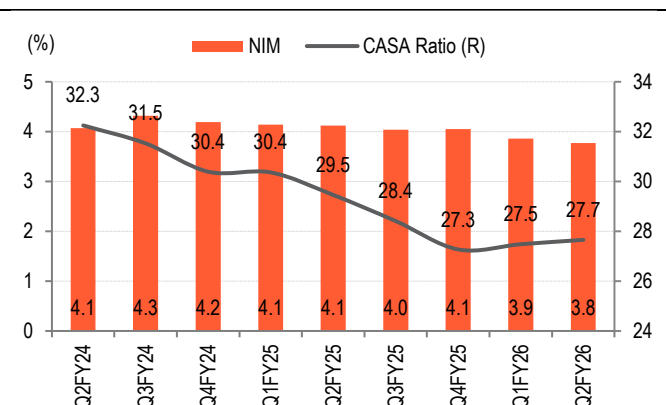
Source: Company, BOBCAPS Research

Fig 6 – Deposits grew higher than system levels



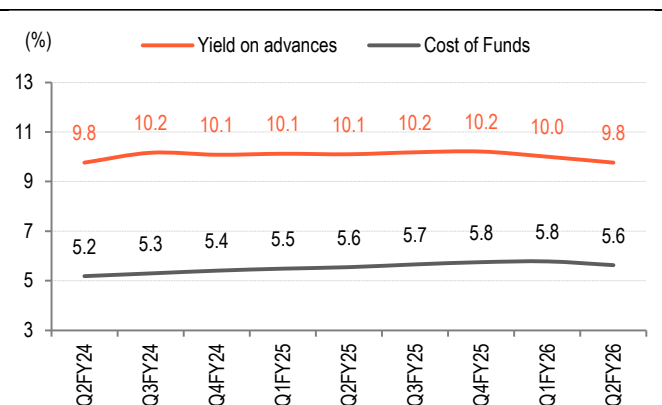
Source: Company, BOBCAPS Research

Fig 7 – NIM declined on account of lower yields on advances



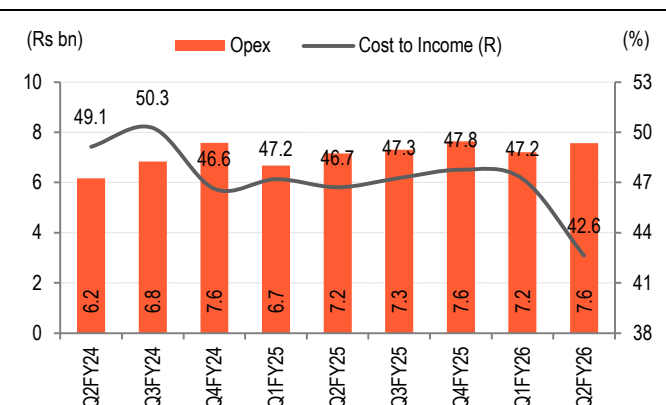
Source: Company, BOBCAPS Research

Fig 8 – Yields down mainly due to repricing impact



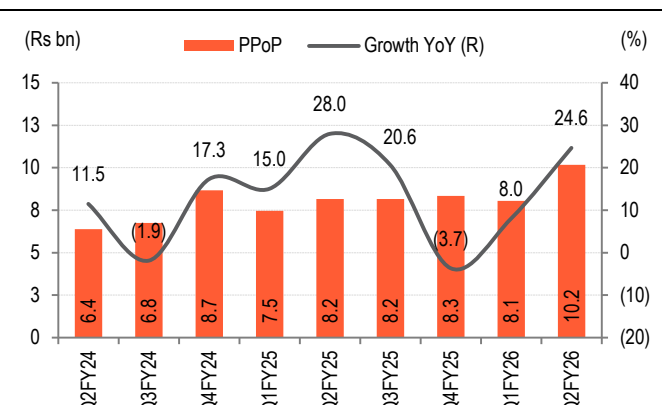
Source: Company, BOBCAPS Research

Fig 9 – Cost-to-income ratio down due to recovery from TWO accounts



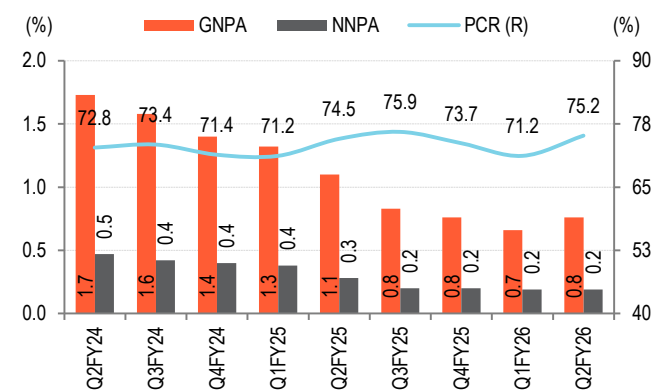
Source: Company, BOBCAPS Research

Fig 10 – PPOp mainly supported by recovery from TWO accounts



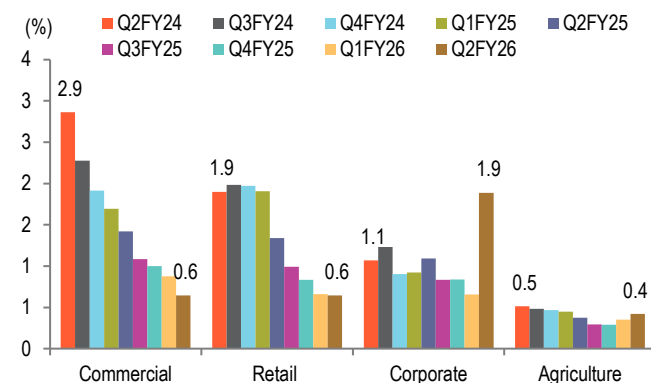
Source: Company, BOBCAPS Research

Fig 11 – Overall AQ remains the best amongst peers



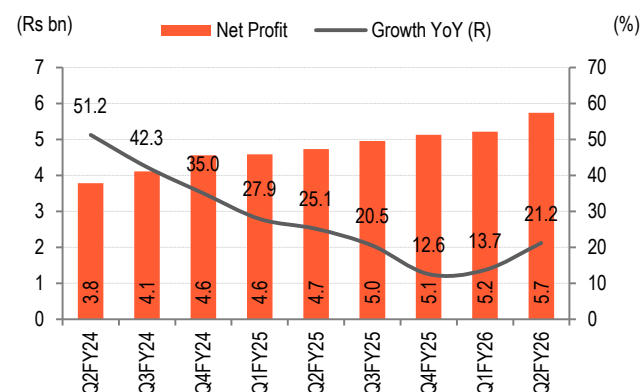
Source: Company, BOBCAPS Research

Fig 12 – Corporate GNPA spikes to 1.9% in Q2FY26



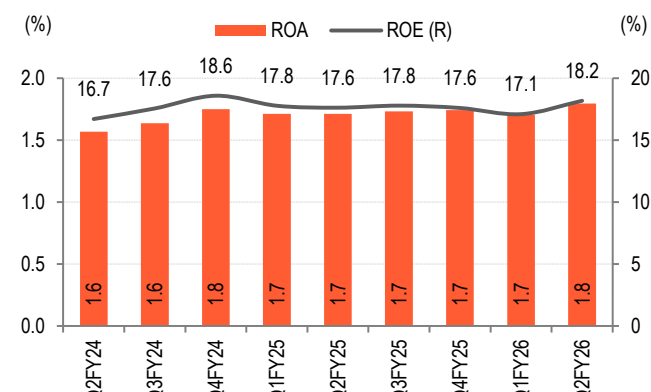
Source: Company, BOBCAPS Research

Fig 13 – Net profit came in better than our expectations...



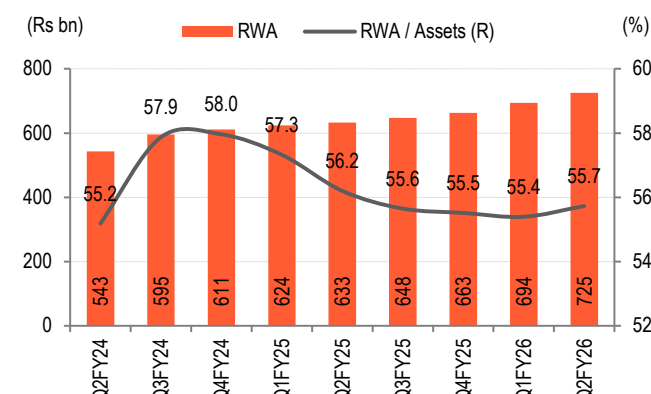
Source: Company, BOBCAPS Research

Fig 14 – ...resulting in superior return metrics



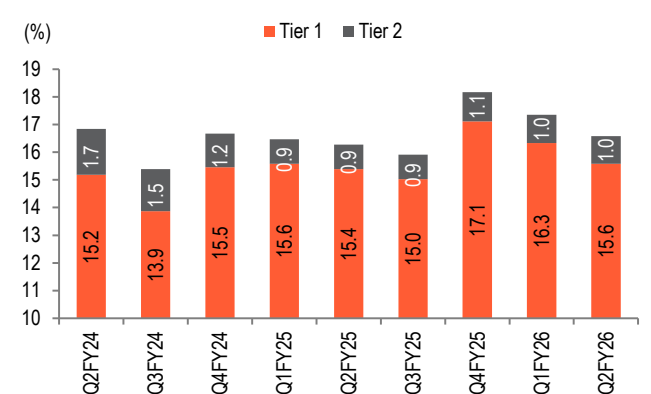
Source: Company, BOBCAPS Research

Fig 15 – RWA increases to Rs 0.7tn as of Q2FY26



Source: Company, BOBCAPS Research

Fig 16 – Adequate capital ratios



Source: Company, BOBCAPS Research

Earnings Call Highlights

Loans and deposits

- Net advances grew 16% YoY and 3.6% QoQ to Rs. 9.27 bn. Retail loans grew 22% YoY, accounting for 26% of gross advances, with home loans comprising 8.9% of the retail book. Management reiterated to grow 200bps above the system levels.
- Total jewel loans grew 25% YoY and 5% QoQ in Q2FY26 and now account for 28% of advances. Total LTV for jewel loans stands at 56.41%.
- On the retail side:
 - Housing loans grew 6% YoY and 1% QoQ
 - Personal loans declined 12% YoY but grew 13% QoQ
 - Retail jewel loans grew 69% YoY and 13% QoQ
 - LAP grew 40% YoY and 13% QoQ
 - Consumer credit (BNPL book) declined 12% YoY, but grew 10% QoQ
 - Vehicle portfolio declined 16% YoY and 5% QoQ
- Corporate loan book declined 2% YoY, but grew 1% QoQ to Rs 1.29bn, wherein 29% of the corporate book is rated A & above and 88% of corporate loans are less than Rs. 1.5 bn.
- Of the loan book, 85% is floating wherein 54% is EBLR linked, 29% MCLR and the rest 15% is fixed rate.
- Total deposits grew 15% YoY and 4% QoQ to Rs. 11.05 bn. Deposit growth is supported by both term deposits (+18% YoY) and savings/current accounts (CASA), with the CASA ratio at 27.65%.
- 72% of deposits are term deposits, of which 80% are less than Rs. 50mn, reflecting a granular deposit base.

Asset quality

- Slippages increased to Rs. 3.50bn in Q2FY26 compared to Rs. 1.88bn in Q1FY26; while upgrades and recoveries stood at Rs 0.84bn in Q2FY26 vs Rs 0.70bn in Q1FY26. Write-offs were Rs 1.51bn vs Rs1.67 bn in Q1FY26. Provision Coverage Ratio (PCR) including technical write-offs was 96.76% in Q2FY26. Slippages from the corporate segment accounted for 62% of total slippage.
- Credit cost increased to 0.8% in Q2FY26 from 0.54% in Q1FY26.
- GNPA ratio increased 10bps to 0.76% and is expected to stay below 1.5%.
- NNPA remained flat for the quarter. Management has reiterated confidence guidance to maintain the NNPA ratio below 1% for FY26.
- Special Mention Account (SMA) 30+ as a percentage of advances improved from 0.60% in Q1FY26 to 0.27% in Q2FY26.

Profitability

- Net profit grew 21% YoY and 10% QoQ to Rs 5.74bn in Q2FY26, reflecting healthy earnings momentum.
- Net Interest Margins (NIMs) stood at 3.77% in Q2FY26, down 35bps YoY and only 9bps QoQ, indicating stable core interest income amid a challenging rate environment. Management maintains its full-year guidance at 3.7%- 3.75%.
- Cost-to-Income ratio improved significantly to 42.63% in Q2FY26 from 47.24% in Q1FY26, aided by recovery from TWO. Management expects C/I ratio to be below 50% for FY26.
- ROA improved to 1.81% from 1.73% in the last quarter. ROE increased to 17.94%, up 58bps YoY and 118 bps QoQ. Management guided ROA to be in the range of 1.55% - 1.65%.

Valuation Outlook

Valuation Outlook:

KVB's adequate capital position (Tier I of 15.6% as of Sep'25), higher than system credit growth (+15.8% YoY), pristine AQ resulted in the bank consistently outperforming peers in terms of return profile. Management guided credit growth (15.8% YoY) to be 2% above the system growth. We expect the bank to deliver healthy return ratios with RoA/ RoE of 1.8%/ 16.8% by FY28E. We maintain BUY and roll over the valuation to 1.5x Sep'27E ABV with TP of Rs 263 (earlier Rs 251) vs currently trading at 1.3x Sep'27E ABV.

Fig 17 – Actual vs Estimates

(Rs mn)	Q2FY26A	Q2FY26E	Change (%)
Loans	9,21,849	9,17,918	0.4
Deposits	11,04,916	11,04,920	(0.0)
Assets	13,00,990	12,83,489	1.4
NII	12,612	10,953	15.1
PPOP	10,174	8,107	25.5
Provisions	2,744	1,243	120.8
PAT	5,740	5,148	11.5

Source: Company, BOBCAPS Research

Fig 18 – Key operational assumptions

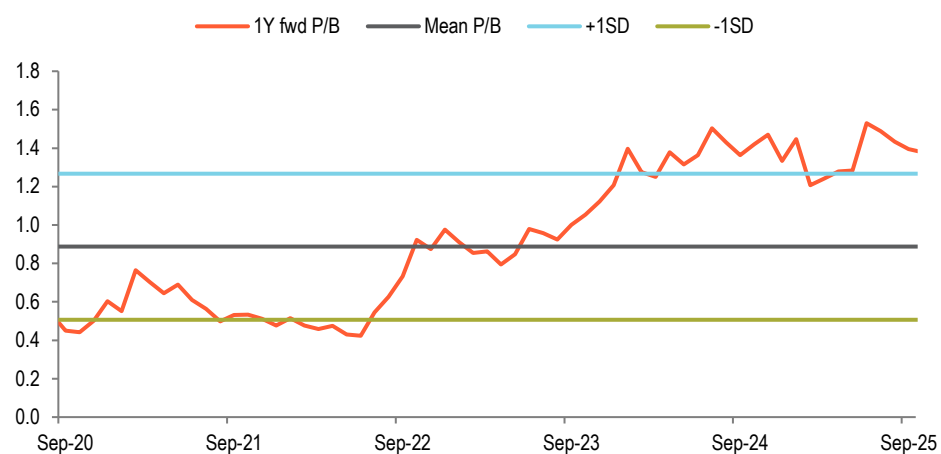
(%)	FY25	FY26E	FY27E	FY28E
Advances Growth	14.0	15.0	14.8	14.9
Net Interest Income Growth	11.6	9.2	14.2	14.9
PPoP Growth	13.5	11.5	13.2	13.9
PAT Growth	21.0	12.9	15.7	15.5
NIM	4.1	3.8	3.9	4.0
GNPA	0.8	0.7	0.6	0.6
CAR	18.2	18.8	19.0	19.4

Source: Company, BOBCAPS Research

Fig 19 – Key valuation assumptions

Gordon growth model	Assumptions
Risk-free rate (%)	12.3
Equity risk premium (%)	14.5
Beta	10.0
Cost of equity (%)	15.0
Blended ROE (%)	3.6
Initial high growth period (yrs)	75.0
Payout ratio of high-growth phase (%)	1.5
Long-term growth (%)	12.3
Long term dividend payout ratio (%)	14.5
Justified P/BV Multiple (x)	10.0

Source: Company, BOBCAPS Research

Fig 20 – PB band chart

Source: Company, BOBCAPS Research

Key Risks

- Regional concentration and low visibility beyond South India make it vulnerable to any adverse changes in the local economic and political environment.
- High share of jewel loans:** Jewel loans account for ~28% of gross loans as of Sep'25. Any sharp correction in gold prices may lead to delinquency issues. However, it remains cushioned by comfortable LTV currently. Also, any regulatory changes pertaining to gold lending could impact the growth prospect of this segment.

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	38,184	42,599	46,520	53,129	61,070
NII growth (%)	14.0	11.6	9.2	14.2	14.9
Non-interest income	16,495	18,296	20,056	21,810	23,673
Total income	54,679	60,895	66,575	74,939	84,743
Operating expenses	26,388	28,771	30,767	34,407	38,580
PPOP	28,291	32,123	35,808	40,533	46,163
PPOP growth (%)	14.3	13.5	11.5	13.2	13.9
Provisions	7,290	6,216	6,592	6,744	7,150
PBT	21,002	25,907	29,216	33,789	39,013
Tax	4,954	6,491	7,304	8,447	9,753
Reported net profit	16,048	19,416	21,912	25,341	29,260
Adjustments	0	0	0	0	0
Adjusted net profit	16,048	19,416	21,912	25,341	29,260

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity capital	1,931	1,932	1,933	1,933	1,933
Reserves & surplus	98,470	1,17,363	1,36,646	1,58,946	1,84,695
Net worth	1,00,401	1,19,295	1,38,578	1,60,879	1,86,628
Deposits	8,91,127	10,20,780	11,65,731	13,37,093	15,36,320
Borrowings	24,784	12,170	14,239	15,663	17,385
Other liab. & provisions	38,221	41,429	42,660	33,153	23,859
Total liab. & equities	10,54,533	11,93,674	13,61,208	15,46,787	17,64,192
Cash & bank balance	56,586	78,067	85,274	92,604	1,03,443
Investments	2,23,435	2,38,313	2,69,976	3,02,661	3,41,509
Advances	7,36,675	8,40,045	9,66,052	11,09,028	12,74,273
Fixed & Other assets	37,837	37,249	39,906	42,494	44,967
Total assets	10,54,533	11,93,674	13,61,208	15,46,787	17,64,192
Deposit growth (%)	16.3	14.5	14.2	14.7	14.9
Advances growth (%)	16.7	14.0	15.0	14.8	14.9

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	16.6	20.1	22.7	26.2	30.3
Dividend per share	2.0	2.2	2.7	3.1	3.6
Book value per share	104.0	123.5	143.4	166.5	193.1

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	13.7	11.3	10.0	8.7	7.5
P/BV	2.2	1.8	1.6	1.4	1.2
Dividend yield (%)	0.9	1.0	1.2	1.4	1.6

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	3.9	3.8	3.6	3.7	3.7
Non-interest income	1.7	1.6	1.6	1.5	1.4
Operating expenses	2.7	2.6	2.4	2.4	2.3
Pre-provisioning profit	2.9	2.9	2.8	2.8	2.8
Provisions	0.7	0.6	0.5	0.5	0.4
PBT	2.1	2.3	2.3	2.3	2.4
Tax	0.5	0.6	0.6	0.6	0.6
ROA	1.6	1.7	1.7	1.7	1.8
Leverage (x)	10.5	10.2	9.9	9.7	9.5
ROE	17.2	17.7	17.0	16.9	16.8

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Net interest income	14.0	11.6	9.2	14.2	14.9
Pre-provisioning profit	14.3	13.5	11.5	13.2	13.9
EPS	44.7	20.8	12.8	15.6	15.5
Profitability & Return ratios (%)					
Net interest margin	4.2	4.1	3.8	3.9	4.0
Fees / Avg. assets	22.0	21.5	22.3	22.8	23.4
Cost-Income	48.3	47.2	46.2	45.9	45.5
ROE	17.2	17.7	17.0	16.9	16.8
ROA	1.6	1.7	1.7	1.7	1.8
Asset quality (%)					
GNPA	1.4	0.8	0.7	0.6	0.6
NNPA	0.4	0.2	0.2	0.2	0.1
Slippage ratio	0.8	0.7	0.7	0.7	0.8
Credit cost	1.1	0.8	0.7	0.7	0.6
Provision coverage	71.1	74.0	73.9	74.9	75.4
Ratios (%)					
Credit-Deposit	82.7	82.3	82.9	82.9	82.9
Investment-Deposit	25.1	23.3	23.2	22.6	22.2
CAR	16.7	18.2	18.8	19.0	19.4
Tier-1	15.5	17.1	17.7	18.1	18.5

Source: Company, BOBCAPS Research

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**

Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**

SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**

Brand Name: **BOBCAPS**

Trade Name: **www.barodaetrade.com**

CIN: **U65999MH1996GOI098009**

Logo:  **BOBCAPS**
TRUST | INNOVATION | EXCELLENCE

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

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

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

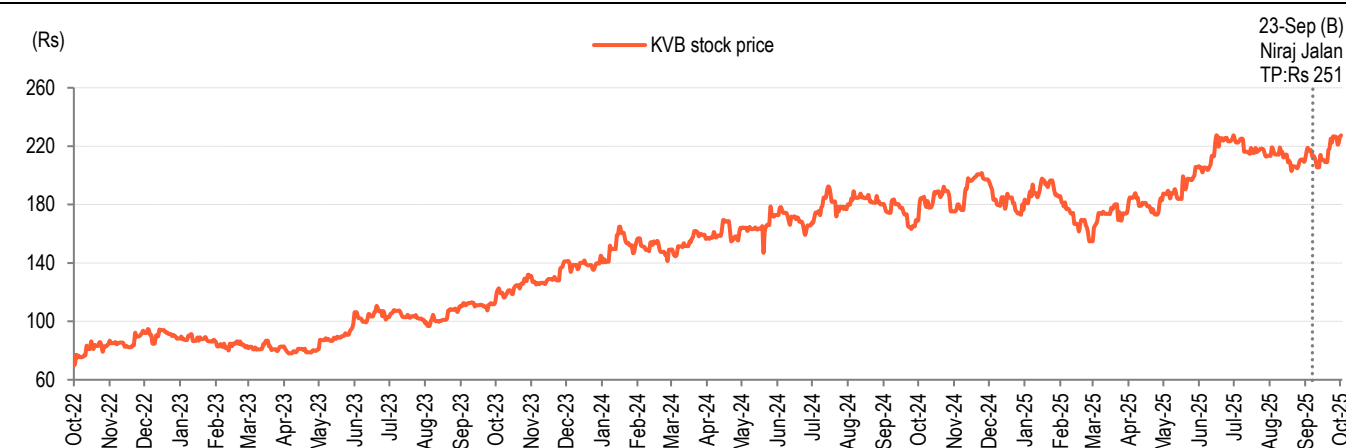
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): KARUR VYSYA BANK (KVB IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS is also a SEBI-registered intermediary for the broking business having SEBI Single Registration Certificate No.: INZ000159332 dated 20 November 2017.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions 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. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction. We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have “long” or “short” positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS 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.

Other disclaimers

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an “as is” basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the “Losses”) which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

Distribution into the United Kingdom (“UK”):

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd (“MSL”) who is authorised and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom (MSL and its affiliates are collectively referred to as “MAYBANK”). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the “Order”), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as “relevant persons”).

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

No distribution into the US:

This report will not be distributed in the US and no US person may rely on this communication.

Other jurisdictions:

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.