

BUY**TP: Rs 413 | ▲ 19%****KARUR VYSYA BANK**

| Banking

| 16 October 2026

Delivers robust loan growth, ROA to sustain at 2%+

- **Strong NII growth on the back of strong advances growth, guiding for 18-20% loan growth in FY27, NIMs guidance revised upward to 4%+**
- **Return ratios maintained, ROA guidance upgraded to 2%+ for FY27 (vs. 1.8% earlier), backed by strong core operating earnings**
- **Maintain BUY with revised TP of Rs 413 at 2.1x Sep'28E ABV (vs. 1.8x earlier), driven by strong earnings, improved guidance and stable AQ**

Catherine Gomes
Research Associate
 research@bobcaps.in

AQ stable, slippages improving: Gross slippages declined to Rs 1.2 bn from Rs 1.4 bn in Q1, with the slippage ratio improving to 0.44% from 0.53%. Stressed assets fell to Rs 5.9 bn (0.4% of total assets) in Q2 from Rs 6.7 bn (0.52%) in Q2FY26, with further QoQ improvement. GNPA declined 5 bps QoQ to 0.69%, while NNPA remained stable at 0.18%, supported by recoveries, upgrades and write-offs. The bank maintains a strong provision buffer, with total provisions at 1.65% of advances (Rs 0.9 bn for standard assets, Rs 0.3 bn in additional floating provisions). FY27 guidance: GNPA below 1.5%, NNPA below 1% and slippages below 1%.

Strong business growth, guidance revised upwards: Gross advances grew 20% YoY/7% QoQ, led by corporate loans (+24% YoY/12% QoQ), retail (+21% YoY/5% QoQ) and agriculture (+20% YoY/4% QoQ). Commercial advances grew 8% QoQ, driven by a 24% QoQ surge in SBG/BBG disbursements, with growth being driven by engineering, wholesale trade, CRE, metal products, retail trade, textiles, and transport operators. Retail growth was led by mortgages and PL. Corporate growth was driven by EPC, Infra, CRE, selective capex in textiles and NBFC. Jewel loans declined 1% QoQ due to disciplined pricing; FY27 credit growth guidance stands at 18–20%. Deposits grew 15.96% YoY/4.52% QoQ, with CASA stable at 27.52%, supported by a focus on retail deposits.

NIMs guidance raised for FY27: Q2 NIM stood at 4.26% (4.34% including 8 bps one-off recovery), with FY27 guidance raised to 4.00%+ from 3.70–3.80%, supported by high-yield loans and controlled CoD. YoA rose 8 bps QoQ to 10.09%, driven by commercial and retail LAP pricing, while CoD increased 4 bps QoQ. The loan mix comprises 57% EBLR-linked (enabling swift pass-through of 25 bps rate hike), 34% fixed-rate (gold loans, PL and short-term commercial loans) and 7% MCLR-linked.

Maintain BUY: KVB delivered a strong quarter, with FY27E loan growth of 20%, NIMs of 4%, C/I below 45% and stable asset quality, we expect FY27E RoA/RoE of 2.03%/19.5%. TWO pool of Rs 25 bn provides strong visibility of recoveries and lower credit cost. Maintain BUY with a TP of Rs 413, valued at 2.1x Sep'28 ABV.

Key changes

Target	Rating
▲	◀ ▶

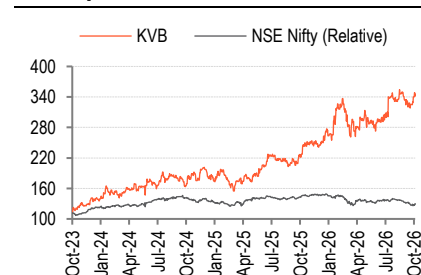
Ticker/Price	KVB IN/Rs 346
Market cap	US\$ 3.5bn
Free float	98%
3M ADV	US\$ 12.6mn
52wk high/low	Rs 359/Rs 223
Promoter/FPI/DII	2%/18%/41%

Source: NSE | Price as of 15 Oct 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
NII (Rs mn)	49,386	58,562	68,197
NII growth (%)	15.9	18.6	16.5
Adj. net profit (Rs mn)	25,103	30,093	35,175
EPS (Rs)	26.0	31.1	36.4
P/E (x)	13.3	11.1	9.5
P/BV (x)	2.4	2.0	1.7
ROA (%)	2.0	2.0	2.0
ROE (%)	19.3	19.5	19.1

Source: Company, Bloomberg, BOBCAPS Research

Stock performance

Source: NSE



Fig 1 – Quarterly snapshot: Income statement

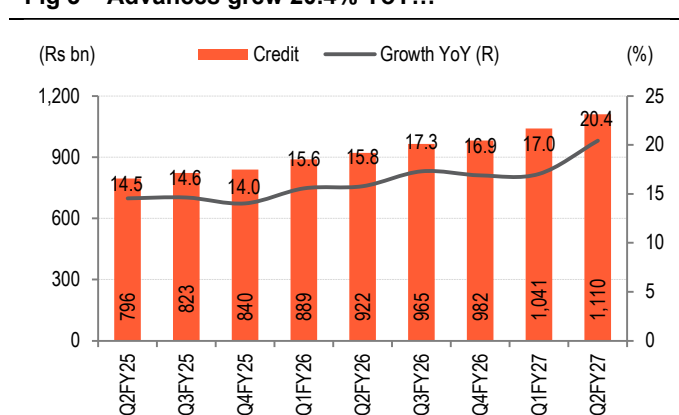
(Rs mn)	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27	YoY (%)	QoQ (%)
Income Statement							
Interest Income	23,292	22,864	23,652	25,162	26,977	15.8	7.2
Income on investments	4,672	4,978	5,014	5,107	5,114	9.5	0.2
Int. on bal. with RBI & inter-bank funds & Others	116	100	371	225	263	126.7	16.5
Interest income	28,080	27,942	29,037	30,494	32,354	15.2	6.1
Interest expense	15,468	15,549	15,449	16,267	17,380	12.4	6.8
Net interest income	12,612	12,393	13,588	14,228	14,974	18.7	5.2
Growth YoY (%)	19.0	14.9	24.7	31.8	18.7		
Fee Income	2,530	2,660	2,800	2,700	2,900	14.6	7.4
Others	2,593	2,430	3,358	1,718	1,448	(44.2)	(15.7)
Non-interest income	5,123	5,090	6,158	4,418	4,348	(15.1)	(1.6)
Growth YoY (%)	8.5	8.9	20.9	(1.2)	(15.1)		
Total income	17,735	17,482	19,746	18,645	19,322	8.9	3.6
Growth YoY (%)	15.8	13.1	23.5	22.1	8.9		
Staff expenses	3,651	3,632	3,408	3,993	3,989	9.2	(0.1)
Other operating expenses	3,910	3,796	3,871	3,697	3,711	(5.1)	0.4
Operating expenses	7,561	7,429	7,278	7,689	7,700	1.8	0.1
Pre-Provisioning Profit (PPoP)	10,174	10,053	12,468	10,956	11,622	14.2	6.1
Growth YoY (%)	24.6	23.3	49.3	36.0	14.2		
Provisions	2,744	1,048	2,577	903	1,185	(56.8)	31.3
Growth YoY (%)	52.6	(28.9)	59.6	(23.6)	(56.8)		
Exceptional Item	-	-	-	-	-	-	-
PBT	7,430	9,006	9,891	10,053	10,437	40.5	3.8
Tax	1,691	2,106	2,641	2,496	2,560	51.4	2.6
PAT	5,740	6,900	7,250	7,557	7,877	37.2	4.2
Growth YoY (%)	21.2	39.1	41.2	44.9	37.2		
Per Share							
FV (Rs)	2	2	2	2	2	0.0	0.0
EPS (Rs)	5.9	7.1	7.5	7.8	8.2	37.2	4.2
Book Value (Rs)	132.4	139.6	145.9	154.5	159.2	20.3	3.1

Source: Company, BOBCAPS Research

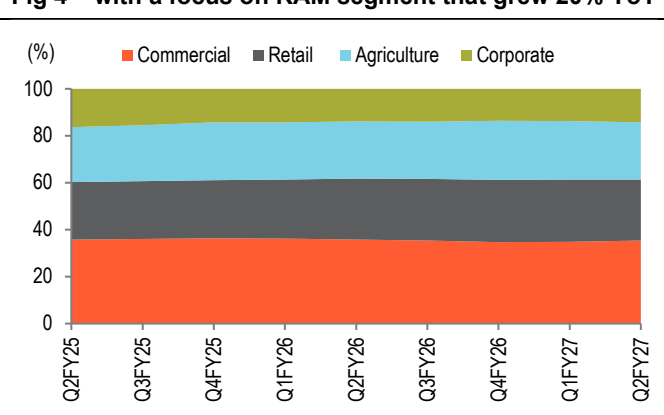
Fig 2 – Quarterly snapshot: Balance sheet & other key metrics

Balance sheet (Rs mn)	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27	YoY (%)	QoQ (%)
Deposits	11,04,916	11,45,950	11,56,657	12,25,870	12,81,233	16.0	4.5
Growth YoY (%)	15.3	15.6	13.3	14.9	16.0		
Advances	9,21,849	9,65,420	9,81,906	10,40,990	11,10,152	20.4	6.6
Growth YoY (%)	15.8	17.3	16.9	17.0	20.4		
Investment	2,78,237	2,97,820	2,90,199	2,92,020	2,77,314	(0.3)	(5.0)
Equity	1,27,963	1,34,730	1,41,079	1,49,323	1,53,929	20.3	3.1
Assets	13,00,990	13,55,670	13,66,031	14,43,640	15,08,307	15.9	4.5
Growth YoY (%)	15.6	16.5	14.4	15.1	15.9		
Yield (%)							
Yield on Funds	9.06	8.68	8.80	8.95	9.03	(3bps)	9bps
Cost of Funds	5.59	5.39	5.24	5.36	5.45	(14bps)	9bps
Spread	3.48	3.28	3.56	3.59	3.58	10bps	(1bps)
Net Interest Margin	3.77	3.99	4.25	4.26	4.26	49bps	0bps
Ratios (%)							
Other Income / Net Income	28.9	29.1	31.2	23.7	22.5	(638bps)	(119bps)
Cost to Income ratio	42.6	42.5	36.9	41.2	39.9	(278bps)	(139bps)
CASA ratio	27.7	27.2	26.9	27.6	27.5	(13bps)	(3bps)
C/D ratio	83.4	84.2	84.9	84.9	86.6	322bps	173bps
Investment to Assets	21.4	22.0	21.2	20.2	18.4	(300bps)	(184bps)
Assets Quality							
GNPA	7,078	6,869	7,439	7,719	7,654	8.1	(0.8)
NNPA	1,758	1,833	1,862	1,958	1,986	13.0	1.5
Provision	5,321	5,037	5,577	5,761	5,668	6.5	(1.6)
GNPA (%)	0.76	0.71	0.75	0.74	0.69	(7bps)	(5bps)
NNPA (%)	0.19	0.19	0.19	0.19	0.18	(1bps)	(1bps)
Provision (%)	75.17	73.32	74.97	74.64	74.05	(112bps)	(59bps)

Source: Company, BOBCAPS Research

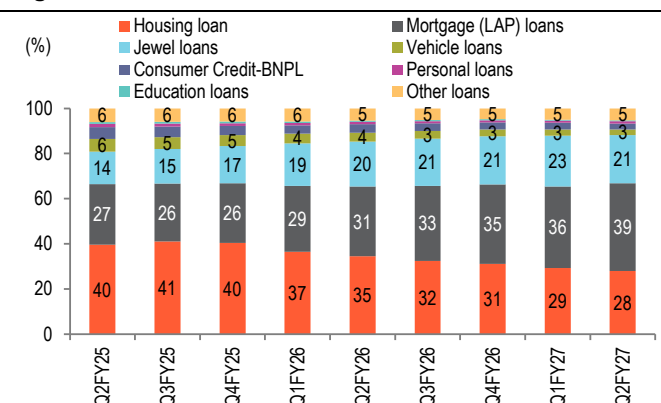
Fig 3 – Advances grew 20.4% YoY...

Source: Company, BOBCAPS Research

Fig 4 – with a focus on RAM segment that grew 20% YoY

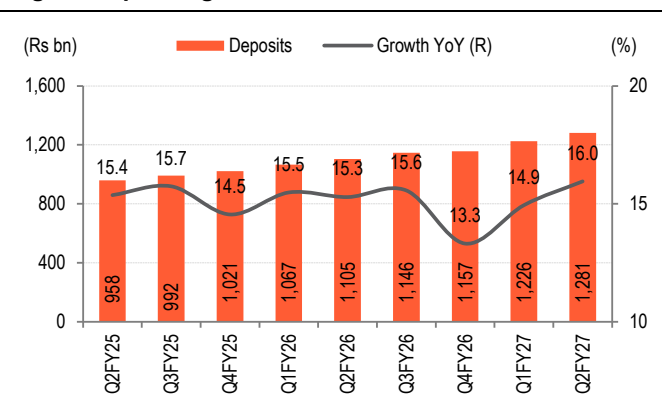
Source: Company, BOBCAPS Research

Fig 5 – Retail loan mix



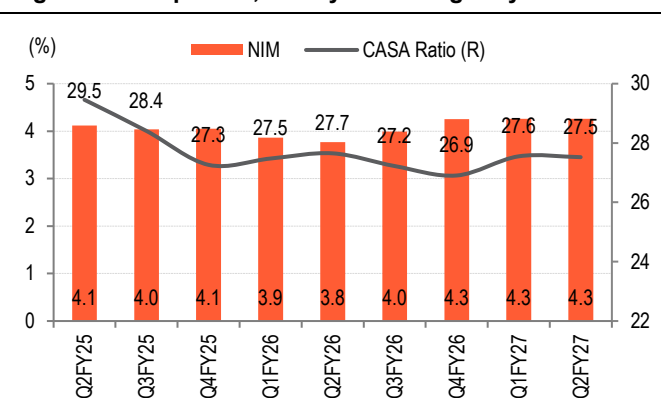
Source: Company, BOBCAPS Research

Fig 6 – Deposits grew 16% YoY



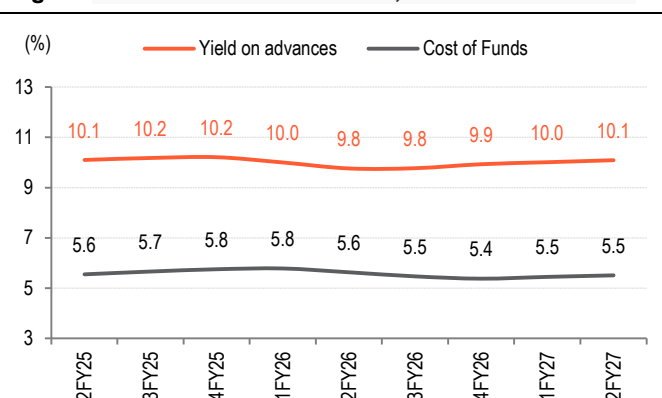
Source: Company, BOBCAPS Research

Fig 7 – NIM improved, mainly due to higher yields



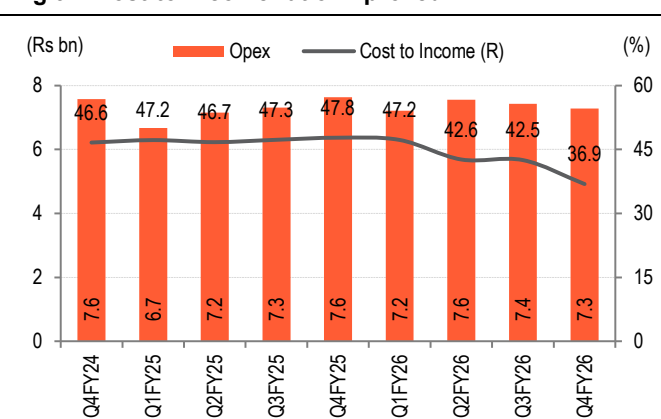
Source: Company, BOBCAPS Research

Fig 8 – Prioritized Retail TD/CASA, therefore lower CoF



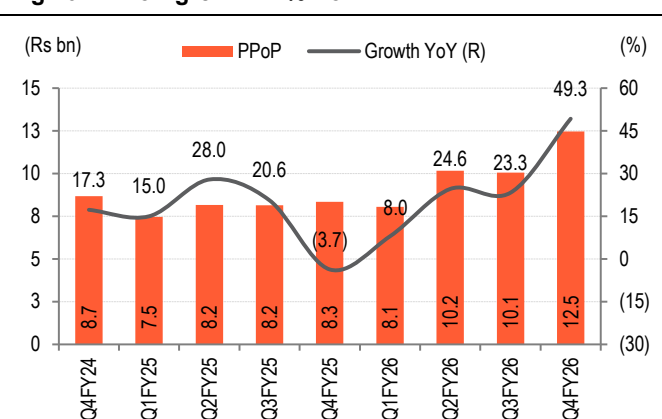
Source: Company, BOBCAPS Research

Fig 9 – Cost-to-income ratio improved



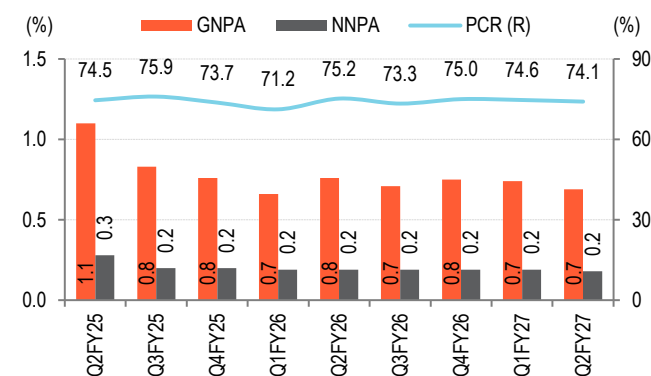
Source: Company, BOBCAPS Research

Fig 10 – PPoP grew 14.2% YoY



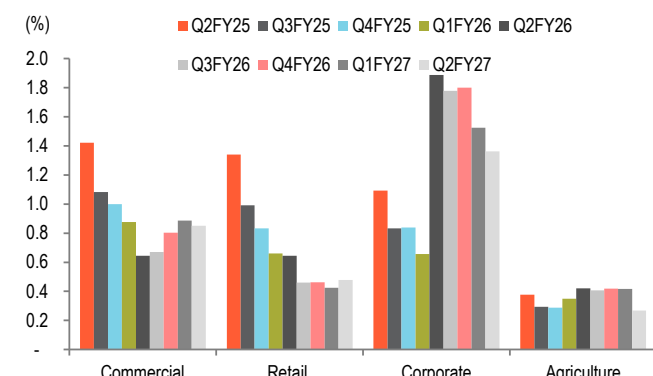
Source: Company, BOBCAPS Research

Fig 11 – AQ remains stable



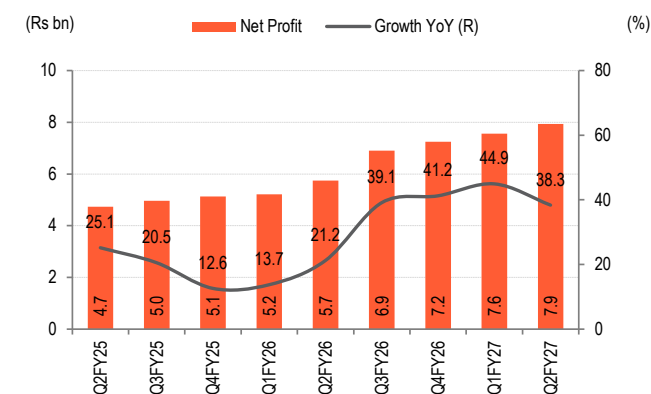
Source: Company, BOBCAPS Research

Fig 12 – GNPA trend segment-wise



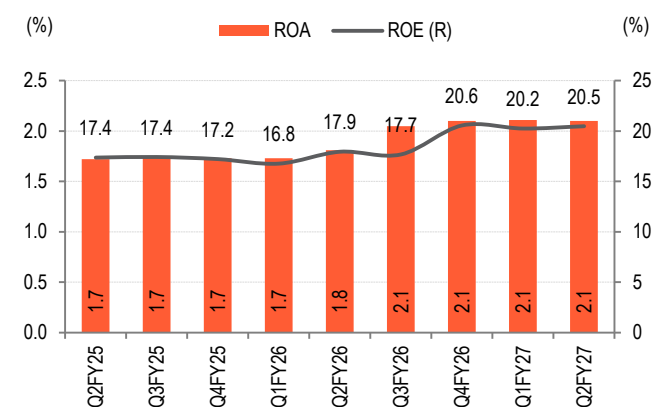
Source: Company, BOBCAPS Research

Fig 13 – PAT grew YoY due to strong NII, lower provisions YoY



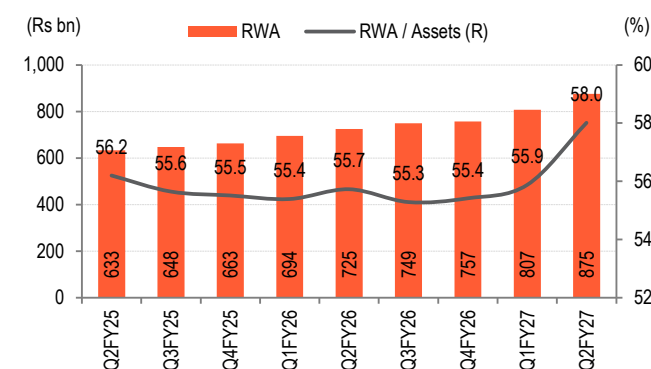
Source: Company, BOBCAPS Research

Fig 14 – ...resulting in superior return metrics



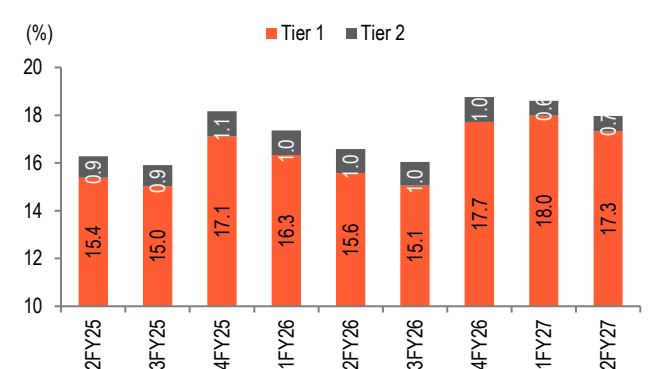
Source: Company, BOBCAPS Research

Fig 15 – RWA density increased due to NBFC, PL and unhedged FX exposures



Source: Company, BOBCAPS Research

Fig 16 – Adequate capital ratios



Source: Company, BOBCAPS Research

Earnings Call Highlights

1.Loans & advances

- Total advances: Rs 1,115.89 bn, growing 7% QoQ and 13% YTD. Total business reached Rs 2,397.12 bn (+5% QoQ/+18% YoY).
- Portfolio mix: RAM (Retail, Agriculture, MSME) accounts for 86% of advances, with corporate at 14%.
- Commercial/SBG/BBG: Commercial advances grew 8% QoQ, supported by a 24% QoQ increase in disbursements across Small Business Group (SBG) and Business Banking Group (BBG). Key sectors include engineering, wholesale trade, CRE, metal products, retail trade, textiles and transport operators.
- Commercial initiatives: GST surrogate and open-terminal products crossed Rs 4.50 bn in outstanding balances; the SBG relationship-manager model added 228 new-to-bank customers.
- Retail advances: Grew 5% QoQ, led by mortgages (+12%) and personal loans (+11%); personal loans were split equally between secured personal loans and unsecured business loans. Retail jewel loans declined 1% QoQ as the bank maintained pricing discipline.
- Agriculture: Advances grew 4% QoQ. Agri jewel loans account for 92% of the agriculture portfolio; LTV stood at 67% for agri gold loans and 59% for non-agri gold loans.
- Jewel loan portfolio: Rs 321.53 bn, equivalent to 29% of advances, within internal limits of 35% of advances or 32% of exposure. Agri gold loans are priced at 10.75%, while retail gold loans are priced at 14%.
- Corporate & institutional: Grew 12% QoQ, driven by EPC, infrastructure, CRE, capital-market participants, textiles and NBFCs. The portfolio remains granular, with an average ticket size of Rs 0.42 bn. Credit substitutes increased Rs 5.00 bn in Q2 and are restricted to existing customers rated A and above.
- SME/corporate demand: Working-capital utilisation remained at 76%–79%. Textiles account for 5% of the book, with US-exporter utilisation at 55%–56% amid tariff uncertainty. Growth is driven by new high-quality customers and selective takeovers, with no significant capex drawdowns.
- Vehicle loans: Tactical decision to exit fresh low-yielding vehicle financing due to dealer commissions, 150% risk weights, fixed rates, and high delinquency risks. Capital was reallocated to gold and mortgages.
- Low-margin housing loans face intense competitive refinancing without prepayment penalties. To protect overall portfolio yields, management deliberately avoids price undercut wars in housing, reallocating capital to higher-yielding mortgages/LAP.
- RWA density: Increased to 58%, driven by selective NBFC exposures carrying 150% risk weights pending bank-name finalisation, Rs 9.19 bn of personal-loan growth (125% risk weight) and unhedged foreign-currency exposures.

- FY27 guidance: Credit growth of 18%–20, with calibrated underwriting and a focus on yields rather than aggressive pricing or large corporate tickets.

2. Deposits & liabilities

- Total deposits: Rs 1,281.2 bn (+5% QoQ), representing 53% of total business.
- CASA balances increased Rs 14.9 bn in Q2. Current accounts grew Rs 5.9 bn (+5% QoQ) and savings accounts Rs 8.9 bn (+4% QoQ); existing customers contributed 60% of incremental CASA growth. Retail term deposits accounted for 73% of total term deposits, growing 6% QoQ with an incremental addition of Rs 39.02 bn.
- FCNR(B): Incremental inflows of Rs 6.8 bn following RBI relaxation of interest-rate ceilings. The bank has no leveraged FCNR advances as it operates without foreign branches.
- Continued focus on retail deposit mobilisation rather than volatile wholesale funding.

3. Asset quality & provisioning

- Gross slippages declined to Rs 1.2 bn from Rs 1.4 bn in Q1; annualised slippage ratio improved to 0.44%
- GNPA/NNPA: GNPA improved 5 bps QoQ to 0.69%, while NNPA improved 1 bp QoQ to 0.18%.
- SMA 30+ remained stable at 0.22% of advances. Standard restructured loans declined to 0.33% of total loans, with an outstanding balance of Rs 3.73 bn and 41% provision coverage.
- Credit cost: Annualised credit cost stood at 0.43%. Total provisions stood at 1.65% of advances. Q2 allocations included Rs 0.94 bn towards NPA migrations, standard and restructured assets, plus Rs 0.25 bn in additional floating provisions.
- Existing provisions include Rs 1.00 bn for ECL and Rs 1.00 bn for war contingency, alongside floating and restructured-asset provisions. Management expects these prudential buffers to be subsumed into ECL requirements without material earnings impact.
- Outstanding written pool of Rs 25.00 bn generated Rs 0.82 bn in Q2 recoveries. Management expects continued recoveries, supporting credit costs and RoA even if quarterly recoveries moderate.
- FY27 asset-quality guidance: GNPA below 1.50%, NNPA below 1.00% and annualised slippages below 1.00%.
- Gold Loan Asset Quality & Monitoring: Digitized margin call systems automatically issue branch alerts when LTV cutoffs are breached. Because borrowers carry strong emotional attachment to family gold ornaments, forced auctions are rare; customers promptly top up or repay upon alert. No ground-level stress is observed, with primary lending focused on agri gold loans at 10.75%

4. NIMs, cost of funds & yields

- Q2 NIM: 4.26%; 4.34% including an 8 bps one-off interest recovery from written-off accounts. The bank is prioritising high-yield mortgages, LAP and commercial lending over low-yield housing loans and aggressive price competition. Retail and commercial mix optimisation is supporting NIMs
- FY27 NIM guidance: Raised to 4.00%+ from the earlier 3.70%–3.80%; management expressed confidence in sustaining 4.00%+ over the next two quarters.
- Yield on advances increased 8 bps QoQ to 10.09%, driven by commercial-business pricing and retail LAP. Yield on investments declined 4 bps QoQ to 6.79%; mutual-fund NAV appreciation returns were recognised separately. Cost of deposits increased 4 bps QoQ.
- Agri gold loans are priced at 10.75% and retail gold loans at 14%. The earlier 100 bps yield benefit from converting floating-rate gold loans to fixed rates will not repeat; fresh lending continues at 10.75% for agriculture
- Loan benchmark mix: 57% EBLR-linked, 34% fixed-rate and 7% MCLR-linked. EBLR loans are directly repo-linked, allowing swift rate pass-through.

5. Operating expenses, cost-to-income & branches

- Operating expenses flat QoQ at Rs 7.70 bn, core salary costs increased 8%, offset by Rs 0.28 bn of AS15 actuarial savings following a 40 bps increase in discount rates.
- C/I guidance elow 45% over the next two quarters.
- 20 branches opened during H1 FY27; 50 new branches targeted for FY27. Expansion will initially focus on underpenetrated districts in South India, Maharashtra and Gujarat, followed by Central, North and East India.
- Net interest income grew 5% QoQ and 25% YoY, supported by asset-mix recalibration and yield optimisation.
- RoA: 2.10% in Q2, down 1 bp QoQ; management expects full-year FY27 RoA above 2.00%. RoA above 2.00%, supported by 18%–20% credit growth, NIMs of 4.00%+, stable asset quality and controlled operating costs
- Treasury income contributed 6 bps and written-off recoveries 21 bps to Q2 DuPont RoA. Management expects core operating profitability and the Rs 25.00 bn TWO pool to support RoA around 2.00% even if recoveries moderate
- Liquidity: LCR was 129%; management's LCR target is 115%–120%.
- Bancassurance / IRDAI: Previous-year bancassurance income was Rs 1.65 bn. Proposed IRDAI rules could reduce life-insurance commission fees by 60%–70%; current life-insurance penetration is 1.6%, with a target of 3.8%–3.9%. Management plans to diversify into health, property, protection and corporate-risk products to offset the potential impact.

Valuation Methodology

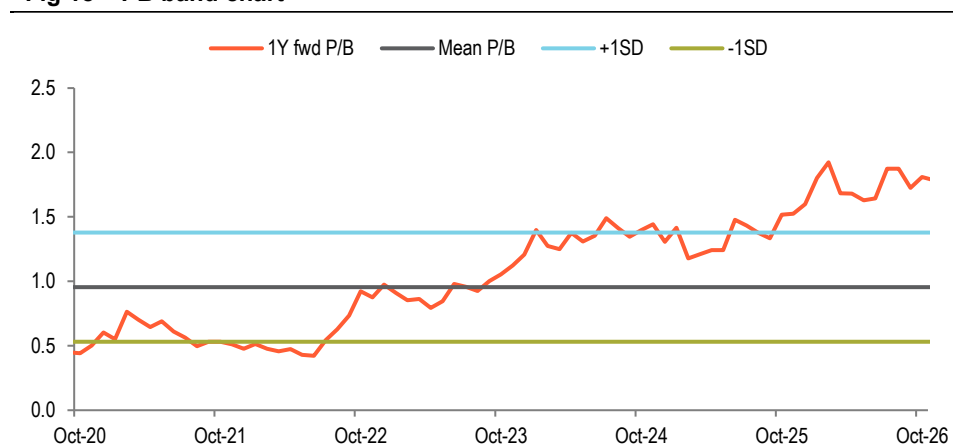
KVB delivered a strong quarter, with 20% YoY organic loan growth, healthy NII/PAT growth and broad-based momentum across SBG/BBG, corporate and retail. We believe the revised 18%–20% loan growth guidance is achievable, supported by the potential recovery in working-capital utilisation, which remains subdued and below average, as tariff and geopolitical uncertainties ease and festive demand picks up. CASA remained stable at 27.5% vs. 27.6% in Q1, outperforming broader industry trends. With 57% EBLR-linked and 7% MCLR-linked loans, and RAM at 86% of advances which is high yielding, the bank is positioned to benefit from rate hikes, supporting yields and sustaining 4%+ NIMs. Management remains confident of sustaining RoA above 2% and C/I below 45% and maintaining pristine AQ. Asset quality remains stable, with stressed assets improving sequentially and the Rs 25 bn TWO pool provides visibility for future recoveries and lower credit costs. We expect FY27E RoA/RoE of 2.03%/19.5%. Maintain BUY with a revised TP of Rs 413 (from Rs 362), rolling over valuation to 2.1x Sep'28E ABV from 1.8x, reflecting improved NIMs/RoA guidance and confidence in sustained loan growth.

Fig 17 – Key operational assumptions

(%)	FY26	FY27E	FY28E	FY29E
Advances Growth	16.9	20.0	18.0	18.0
Net Interest Income Growth	15.9	18.6	16.5	16.7
PPoP Growth	26.9	15.7	16.4	16.7
PAT Growth	29.3	19.9	16.9	16.7
NIM	4.1	4.0	4.0	4.0
GNPA	0.8	0.7	0.6	0.6
CAR	18.8	18.8	19.3	19.5

Source: Company, BOBCAPS Research

Fig 18 – PB band chart



Source: Company, BOBCAPS Research

Key Risks

- Potential Reduction in Bancassurance Commission Income: Proposed regulatory changes by IRDAI on commission structures could reduce life insurance fee income by 60%–70%. To offset this drop, KVB must nearly double its life insurance penetration from 1.6% to 3.8%–3.9% and diversify across health, property, protection, and corporate risk lines.
- Credit bureau data indicates rising gold loan stress and delinquencies across the broader banking industry, KVB's management noted that its own portfolio shows no ground-level stress, supported by automated digitized margin calls and strong customer emotional attachment to family ornaments thereby maintaining asset quality in gold loan. However, there is aggressive market competition, where peers may offer higher LTV or lower interest rates- balancing volume retention with strict underwriting discipline can be a challenge if such aggressive competition continues.

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Net interest income	42,599	49,386	58,562	68,197	79,590
NII growth (%)	11.6	15.9	18.6	16.5	16.7
Non-interest income	18,296	20,843	22,273	25,095	28,988
Total income	60,895	70,229	80,835	93,292	108,578
Operating expenses	28,771	29,479	33,690	38,429	44,578
PPOP	32,123	40,750	47,145	54,863	64,000
PPOP growth (%)	13.5	26.9	15.7	16.4	16.7
Provisions	6,216	7,549	7,021	7,963	9,245
PBT	25,907	33,200	40,124	46,900	54,756
Tax	6,491	8,097	10,031	11,725	13,689
Reported net profit	19,416	25,103	30,093	35,175	41,067
Adjustments	0	0	0	0	0
Adjusted net profit	19,416	25,103	30,093	35,175	41,067

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Equity capital	1,932	1,933	1,933	1,933	1,933
Reserves & surplus	117,363	139,145	166,229	197,887	234,847
Net worth	119,295	141,079	168,162	199,820	236,780
Deposits	1,020,780	1,156,657	1,333,626	1,537,671	1,772,934
Borrowings	12,170	26,226	27,537	30,291	33,320
Other liab. & provisions	41,429	42,069	74,424	89,887	125,408
Total liab. & equities	1,193,674	1,366,031	1,603,750	1,857,669	2,168,442
Cash & bank balance	78,067	53,026	68,497	76,089	82,765
Investments	238,313	290,199	313,720	344,172	393,096
Advances	840,045	981,906	1,178,287	1,390,379	1,640,647
Fixed & Other assets	37,249	40,900	43,244	47,028	51,934
Total assets	1,193,674	1,366,031	1,603,750	1,857,669	2,168,442
Deposit growth (%)	14.5	13.3	15.3	15.3	15.3
Advances growth (%)	14.0	16.9	20.0	18.0	18.0

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
EPS	20.1	26.0	31.1	36.4	42.5
Dividend per share	2.2	2.6	3.1	3.6	4.2
Book value per share	123.5	145.9	174.0	206.7	244.9

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
P/E	17.2	13.3	11.1	9.5	8.1
P/BV	2.8	2.4	2.0	1.7	1.4
Dividend yield (%)	0.6	0.8	0.9	1.1	1.2

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Net interest income	3.8	3.9	3.9	3.9	4.0
Non-interest income	1.6	1.6	1.5	1.5	1.4
Operating expenses	2.6	2.3	2.3	2.2	2.2
Pre-provisioning profit	2.9	3.2	3.2	3.2	3.2
Provisions	0.6	0.6	0.5	0.5	0.5
PBT	2.3	2.6	2.7	2.7	2.7
Tax	0.6	0.6	0.7	0.7	0.7
ROA	1.7	2.0	2.0	2.0	2.0
Leverage (x)	10.2	9.8	9.6	9.4	9.2
ROE	17.7	19.3	19.5	19.1	18.8

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Net interest income	11.6	15.9	18.6	16.5	16.7
Pre-provisioning profit	13.5	26.9	15.7	16.4	16.7
EPS	20.8	29.2	19.8	16.9	16.7
Profitability & Return ratios (%)					
Net interest margin	4.1	4.1	4.0	4.0	4.0
Fees / Avg. assets	21.5	22.3	21.1	23.2	25.6
Cost-Income	47.2	42.0	41.7	41.2	41.1
ROE	17.7	19.3	19.5	19.1	18.8
ROA	1.7	2.0	2.0	2.0	2.0
Asset quality (%)					
GNPA	0.8	0.8	0.7	0.6	0.6
NNPA	0.2	0.2	0.2	0.1	0.1
Slippage ratio	0.7	1.0	0.8	0.8	0.8
Credit cost	0.8	0.8	0.7	0.6	0.6
Provision coverage	74.0	74.8	75.9	76.4	76.9
Ratios (%)					
Credit-Deposit	82.3	84.9	88.4	90.4	92.5
Investment-Deposit	23.3	25.1	23.5	22.4	22.2
CAR	18.2	18.8	18.8	19.3	19.5
Tier-1	17.1	17.7	17.9	18.6	18.8

Source: Company, BOBCAPS Research

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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 (Perpetual)**
 SEBI Stock Broker Registration No: **INZ000159332**
 SEBI Depository Participant Registration No: **IN-DP-728-2022**
 SEBI Merchant Banker Registration No: **INM000009926**
 Phone: +91-22-61389300
 Name of the Compliance Officer: Mr. Sameer Khobrekar
 Email ID: Compliance@bobcaps.in; Phone no.: +91-22-61389358
 For any queries or grievances, you may contact the Grievance Officer.
 Name of the Grievance Officer: Mr. Nilesh Mehta
 Email ID: head-customer@bobcaps.in; Phone no: 92288 60945

Brand Name: **BOBCAPS**
 Website: <https://www.bobcaps.in/>
 CIN: **U65999MH1996GOI098009**



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BUY – Expected return >+15%

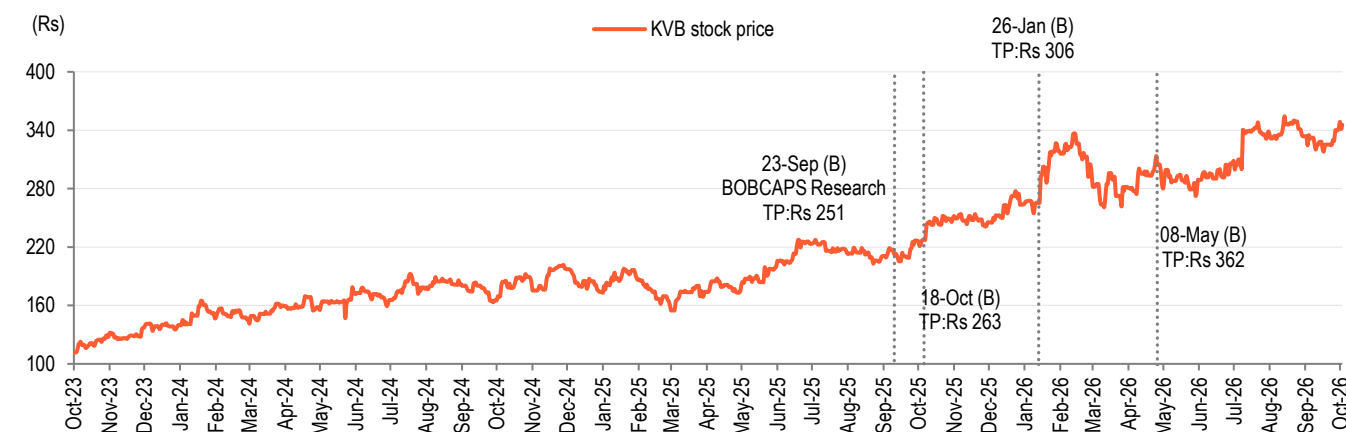
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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



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