

# Canara Bank (CBK IN)

**Q4FY26 Result Update**

May 12, 2026

Estimate Change |  Target |  Reco.

## Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		Hold	
Target Price	150		160	
NII (INR. mn)	421,027	471,105	424,759	480,548
% Chng.	(0.9)	(2.0)		
Op. Profit (INR mn)	319,632	349,412	317,765	360,055
% Chng.	0.6	(3.0)		
EPS (INR)	19.2	21.0	18.7	21.3
% Chng.	2.7	(1.4)		

## Key Data

CNBK.BO | CBK IN

BSE Code	532483
NSE Code	CBK IN
52-W High / Low	INR 162 / INR 99
Face Value	2
Sensex / Nifty	76,015 / 23,816
Market Cap	INR 1,174 bn / \$ 12,318 mn
Shares Outstanding	9070.65 mn
3M Avg. Daily Value	INR 3,502.71 mn

## Shareholding Pattern (%)

Promoters	62.93
FIs	14.24
Mutual Funds	5.01
Domestic Institution	5.89
Public & Others	11.93
Promoters Pledge (INR bn)	-

## Stock Performance (%)

	1M	3M	6M	12M
Absolute	(7.6)	(11.1)	(8.1)	32.6
Relative	(5.8)	(1.4)	1.4	38.6

## Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
NII (INR mn)	370,720	372,102	421,027	471,105
NIM (%)	2.4	2.1	2.2	2.2
Core PPOP (INR mn)	254,599	238,375	264,479	292,119
PAT (INR mn)	170,267	191,867	174,613	191,170
Core PAT (INR mn)	125,641	121,141	133,249	148,200
EPS (INR)	18.8	21.2	19.3	21.1
Gr. (%)	17.0	12.7	(9.0)	9.5
DPS (INR)	4.0	4.2	3.9	4.2
Yield (%)	3.8	3.3	3.0	3.3
RoAE (%)	19.9	19.1	15.3	14.9
Core RoAE (%)	14.9	12.3	11.9	11.7
RoAA (%)	1.1	1.1	0.9	0.9
Core RoAA (%)	0.8	0.7	0.7	0.7
P/BV (x)	0.9	0.9	0.9	0.8
P/ABV (x)	0.9	1.0	1.0	0.9
PE (x)	5.0	6.5	6.5	6.0
CAR (%)	16.3	15.7	17.7	18.6

## LDR at comfortable level to support growth

### Quick Pointers

- Good quarter due to superior NII/NIM and lower opex
- NIM guided to remain range bound in FY27 over FY26
- We upgrade to 'ACCUMULATE' on comfortable valuations

CBK saw a good quarter as core PPOP was ~13% ahead of PLe driven by higher NII/NIM and lower opex. Reported NIM performance was better to peers since it rose by 9bps QoQ driven by (1) fall in deposit cost and (2) healthy retail growth at 8.6% QoQ. NIM for FY27 is guided to be between 2.5-2.6% (FY26 2.51%). Provisions may remain stable at 0.75% despite ECL impact which could be INR 100bn or 9% of equity, primarily towards stage-2 and non-funded exposure. CBK is better placed than peers in terms of LDR, which is lower at ~78%. We trim multiple from 1.1x to 1.0x on Mar'28 ABV and lower TP to INR 150 from INR 160. Revise rating to 'ACCUMULATE' from 'HOLD'.

**Good quarter due to better NII/NIM and opex:** NII was higher at INR 98.1bn (PLe INR 95.2bn) due to NIM (calc.) at 2.26% (PLe 2.19%); reported NIM was up 9bps QoQ to 2.54%. Loan growth at 16% was 100bps lower, while deposit growth at 10% YoY was 65bps higher. CASA ratio was stable QoQ at 27.3%; LDR was 77.8% (77.1% QoQ). Other income was lower at INR 48.2bn (PLe INR 55.4bn) due to treasury loss; fee was in-line while TWO recovery was better. Opex at INR 78.7bn was 3.5% below PLe led by staff cost. Core PPOP at INR 64.5bn was 12.8% above PLe. Asset quality was a slight miss; GNPA was 1.84% (PLe 1.88%); however, net slippages were higher. Provisions were lower at INR 9.9bn (PLe INR 21.4bn) due to reversal in other provisions. Core PAT was 59% above PLe at INR 42.6bn. PAT was INR 45.1bn (PLe INR 35.6bn).

**Positive surprise on NIM:** QoQ improvement in NIM was driven by lower repricing of bulk deposits, raising cheaper RTD compared to bulk deposits and increase in RAM credit. CBK expects NIM to hover between 2.5-2.6% for FY27 (2.51% in FY26). Provisions may remain stable at 0.75% despite ECL implementation since SMA fell from INR 405bn in Mar'25 to INR 337bn Mar'26. Bank estimates a one-time ECL provision of ~INR 100bn primarily towards stage-2 and non-funded exposure.

**Loan growth led by corporate/retail:** Credit accretion was 4.0% QoQ mainly led by retail (+8.6%) & corporate (+3.9%). Focus remains on expanding RAM share, while steering away from low yielding advances. Targeted RAM/corporate mix is 60:40; undisbursed corporate pipeline stands at INR 200bn. Gold portfolio stood at INR 2.45trn, of which INR 1.54trn is agri gold. Bank expects double digit growth to continue in gold loans, driven by high branch presence in South India. Management guided credit growth of 11-12% for FY27, which the bank can surpass.

### Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	% Var.	Q4'25A	YoY gr. (%)
NII (INR mn)	95,211	98,080	3.0	94,419	3.9
Margin (%)	2.19	2.26	7.3 bps	2.46	-19.2 bps
Core PPOP (INR mn)	57,170	64,460	12.8	70,149	-8.1
Core PAT (INR mn)	26,801	42,623	59.0	40,189	6.1

Source: Company, PL

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

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

Tarang Nandwana  
tarangnandwana@plind | +91-22-66322222

## Q4FY26 Conference Call Highlights

### Balance sheet

- Overall advances grew 3.8% QoQ/ 15.3% YoY, led by RAM credit which grew by 19.7% YoY; Management guided for credit growth of ~11-12% for FY27, which management expects to exceed.
- Targeted RAM/corporate mix at 60:40; Undisbursed corporate pipeline stands at ~INR 200bn; Focus remains on expanding RAM credit, while deliberately steering away from low yielding advances.
- Management expects ~200bn growth in MSME led by ECLGS scheme announced.
- Gold loan portfolio stands at INR 2.45trn, of which INR 1.54trn is agri gold loans; Management expects double digit growth to continue in gold loans, driven by high branch presence in South India.
- Current account balances declined 20% YoY, primarily driven by the runoff of four large-ticket accounts; Savings deposit grew 8.7% YoY; Deposit growth guided at 9-10% for FY27; CASA aimed at 30-32%.
- Average LCR for Q4FY26 stands at 118%.
- The bank does not foresee any further dilutions of its stakes in Canara HSBC or Canara Robeco

### Profit & loss

- NIM improved by 9bps QoQ led by (1) avoiding low yielding advances, (2) conscious pricing of bulk deposits and (3) attracting RTDs through rate increased around Jan 2026 thereby reducing overall CoF; 25bps repo rate cut impacted overall yield on advances by 5bps.
- NIM for FY27 guided to be 2.5%-2.6%; ROA / ROE for FY27 to be ~1.05%/ 16.5%
- Other income declined 39% QoQ driven by (1) MTM losses of INR 8bn amid equity market correction, (2) absence of stake sale gains and (3) lower recoveries during the quarter (elevated in the Q3 due to resolution of a few high-ticket accounts).
- Management expects quarterly recoveries to hover around INR 15-16bn, with interest income from such recoveries to be INR 3.5-4bn quarterly; PSLC income for FY27 to be in line with FY26 at INR 25-30bn.
- Provisions for Q4FY26 declined to INR 9 bn (vs. INR 24 bn in Q3), driven by releases under the large borrower framework and release of buffer provisions on three high-ticket loans due to decrease in balances.

### Asset quality

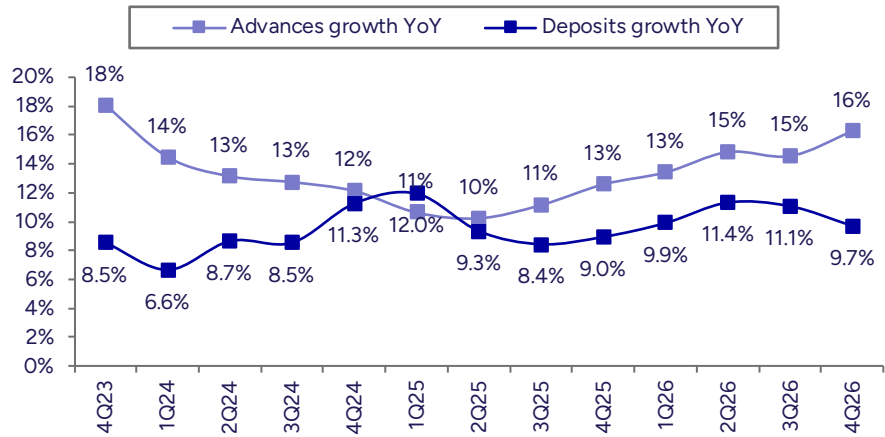
- Q4FY26 slippages increased to INR 28 bn due to March MoCs, with management indicating no emerging portfolio stress; Management expects slippages to be 0.8% for FY27
- Buffer provisions of INR 18bn created during Q4FY6, earmarked against 3 high ticket exposures.
- GNPA/NNPA guided at 1.5%/0.4% for FY27. Credit cost is expected to remain stable at 0.75% despite ECL implementation.
- Management estimates a one-time ECL provision of ~INR 100bn primarily towards stage 2 and non-funded exposure. Bank expects to comfortably absorb the impact given current profitability levels of ~INR 190bn; however, this may lead CET-1 to decline by 120bps.

**Exhibit 1 : PAT at 45.1bn driven by lower provisions and staff cost**

P&L (Rs mn)	Q4FY26	Q4FY25	YoY gr. (%)	Q4FY26E	% Var.	Q3FY26	QoQ gr. (%)
Interest income	3,18,379	3,10,020	2.7	3,28,735	(3.2)	3,19,816	(0.4)
Interest expense	2,20,299	2,15,601	2.2	2,33,523	(5.7)	2,27,293	(3.1)
<b>Net interest income (NII)</b>	<b>98,080</b>	<b>94,419</b>	<b>3.9</b>	<b>95,211</b>	<b>3.0</b>	<b>92,523</b>	<b>6.0</b>
Other Income	48,244	63,508	(24.0)	55,353	(12.8)	78,994	(38.9)
- Fee income	28,670	26,110	9.8	28,597	0.3	27,410	4.6
- Other non-interest income	19,574	37,398	(47.7)	26,756	(26.8)	51,584	(62.1)
<b>Total income</b>	<b>1,46,323</b>	<b>1,57,927</b>	<b>(7.3)</b>	<b>1,50,564</b>	<b>(2.8)</b>	<b>1,71,517</b>	<b>(14.7)</b>
Operating expenses	78,750	75,090	4.9	81,639	(3.5)	80,322	(2.0)
-Staff expenses	47,436	47,828	(0.8)	51,008	(7.0)	49,046	(3.3)
-Other expenses	31,313	27,262	14.9	30,631	2.2	31,276	0.1
<b>Operating profit</b>	<b>67,574</b>	<b>82,837</b>	<b>(18.4)</b>	<b>68,926</b>	<b>(2.0)</b>	<b>91,195</b>	<b>(25.9)</b>
Core operating profit	64,460	70,149	(8.1)	57,170	12.8	60,121	7.2
Total provisions	9,918	18,317	(45.9)	21,435	(53.7)	24,144	(58.9)
<b>Profit before tax</b>	<b>57,656</b>	<b>64,520</b>	<b>(10.6)</b>	<b>47,490</b>	<b>21.4</b>	<b>67,051</b>	<b>(14.0)</b>
Tax	12,600	14,493	(13.1)	11,873	6.1	15,500	(18.7)
<b>Profit after tax</b>	<b>45,056</b>	<b>50,027</b>	<b>(9.9)</b>	<b>35,618</b>	<b>26.5</b>	<b>51,551</b>	<b>(12.6)</b>
<b>Balance Sheet (Rs mn)</b>							
Deposits	1,56,86,782	1,42,98,622	9.7	1,58,89,761	(1.3)	1,52,12,683	3.1
Advances	1,22,00,175	1,04,91,550	16.3	1,23,14,565	(0.9)	1,17,28,157	4.0
<b>Ratios (calc %)</b>							
RoaA	1.0	1.3	(25.0)	0.8	21.4	1.2	(19.7)
RoaE	16.9	21.4	(451.8)	13.2	369.5	19.5	(260.3)
NIM	2.3	2.5	(19.2)	2.2	7.3	2.2	3.0
Yield on Advances	8.4	9.2	(76.8)	8.5	(3.0)	8.6	(15.0)
Cost of Funds	5.4	5.9	(52.5)	5.7	(29.6)	5.8	(41.9)
<b>Asset Quality</b>							
Gross NPL (Rs m)	2,27,400	3,15,300	(27.9)	2,35,547	(3.46)	2,48,326	(8.4)
Net NPL (Rs m)	52,094	73,533	(29.2)	49,465	5.31	53,223	(2.1)
Gross NPL ratio	1.8	2.9	(110.2)	1.9	(4.68)	2.1	(24.5)
Net NPL ratio	0.4	0.7	(27.3)	0.4	2.53	0.5	(2.7)
Coverage ratio	77.1	76.7	41.3	79.0	(190.8)	78.6	(147.6)
<b>Business &amp; Other Ratios</b>							
Low-cost deposit mix	27.3	29.0	(168.7)	27.0	-	27.1	22.9
Cost-income ratio	53.8	47.5	627.1	54.2	(40.3)	46.8	698.8
Non int. inc / total income	33.0	40.2	(724.3)	36.8	(379.3)	46.1	(1,308.5)
Credit deposit ratio	77.8	73.4	439.9	77.5	27.4	77.1	67.9
CAR	17.0	16.3	71.0	-	-	16.5	54.0
Tier-I	14.6	14.4	22.0	-	-	14.6	(1.0)

Source: Company, PL

Exhibit 2 : Advances growth increased to 16.3% YoY; Deposit growth muted at 9.7%



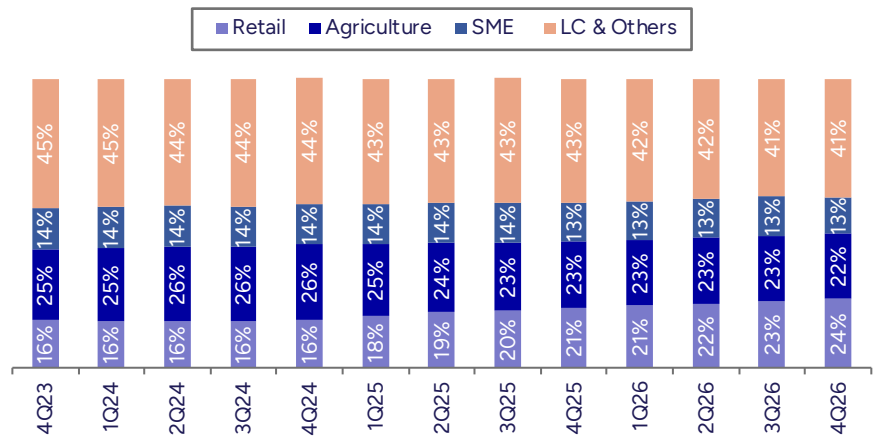
Source: Company, PL

Exhibit 3 : Sequential growth of 3.8% driven by Corporate & Retail

Loan Book Details (Rs mn)	Q4FY26	Q4FY25	YoY gr. (%)	Q3FY26	QoQ gr. (%)
Gross Advances	1,23,75,480	1,07,33,320	15.3	1,19,23,260	3.8
Large Corporates	50,70,280	46,32,050	9.5	48,82,850	3.8
SME	15,78,310	13,98,570	12.9	16,06,360	(1.7)
Agri	27,57,770	24,69,040	11.7	27,00,100	2.1
International	7,64,050	6,46,610	18.2	7,30,370	4.6
Retail	29,69,120	22,33,660	32.9	27,33,950	8.6

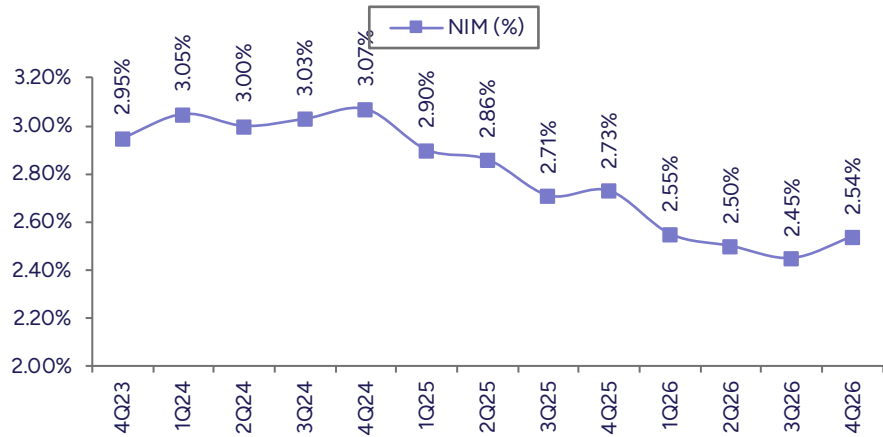
Source: Company, PL

Exhibit 4 : Retail:corporate mix came in at 59:41



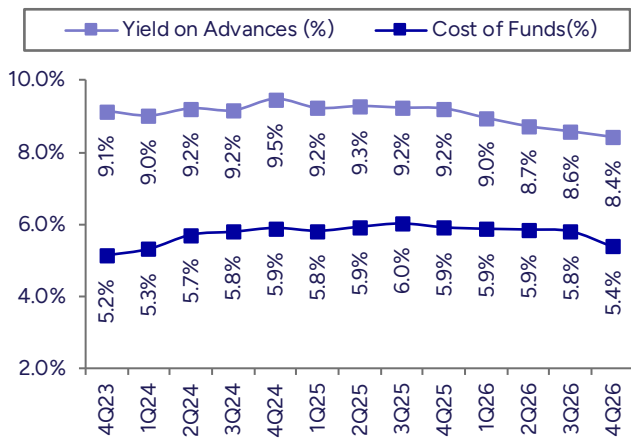
Source: Company, PL

Exhibit 5 : NIMs increased by 9bps QoQ to 2.54%



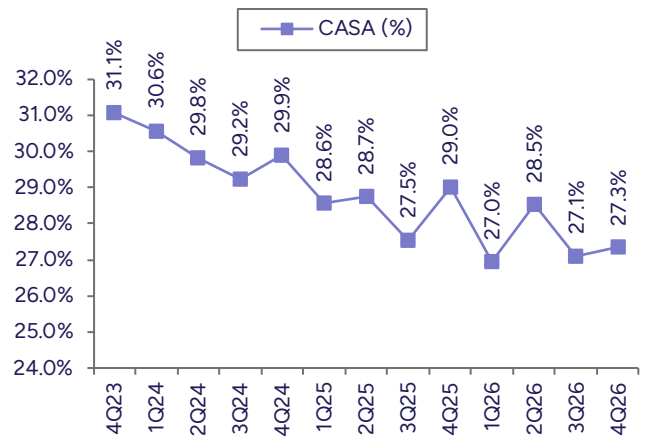
Source: Company, PL

Exhibit 6 : Yield on advances fell to 8.44%; Cost of funds fell to 5.39%



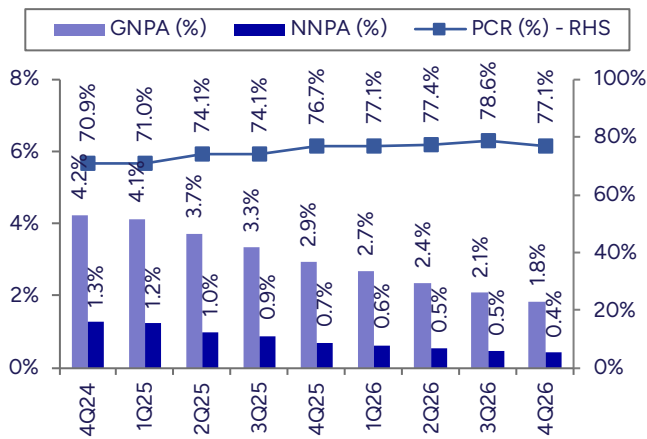
Source: Company, PL

Exhibit 7 : CASA ratio stable at 27.3%



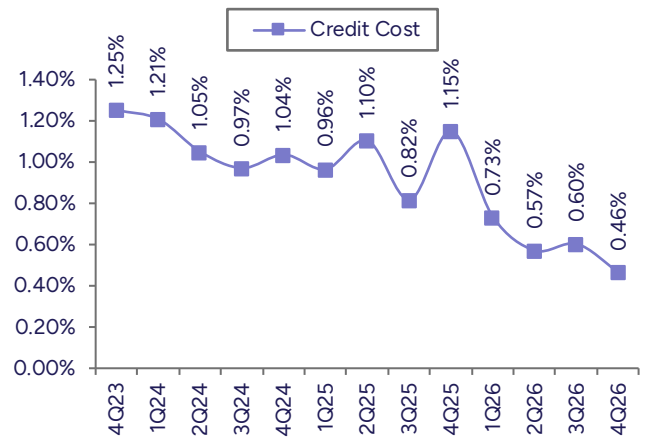
Source: Company, PL

Exhibit 8 : GNPA/NNPA improved to 1.84%/0.43%



Source: Company, PL

Exhibit 9 : Credit cost decreased to 0.46% led by reversals



Source: Company, PL

Exhibit 10 : Slippages were higher at 28bn, offset by higher recoveries at 7.7bn; overall asset quality was slight miss

(Rs mn)	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
Additions	29,730	34,280	29,870	31,760	34,000	33,370	23,450	24,640	27,020	21,660	21,020	18,990	28,000
Slippages (%)	1.8	1.8	1.6	1.7	1.8	1.5	1.1	1.1	1.1	0.9	0.8	0.7	1.0
Recovery	19,040	11,270	11,980	9,580	9,290	7,800	11,880	7,800	7,910	5,050	5,800	5,950	7,680
Upgradation	7,350	8,000	6,710	5,160	5,200	4,950	6,590	4,600	4,200	5,580	5,370	3,910	3,540
Write offs	43,170	19,340	28,890	39,360	30,670	23,116	31,210	38,960	50,220	31,150	34,630	31,200	37,710
<b>Gross NPAs</b>	<b>4,61,600</b>	<b>4,57,270</b>	<b>4,39,560</b>	<b>4,17,220</b>	<b>4,06,060</b>	<b>4,03,564</b>	<b>3,77,334</b>	<b>3,50,614</b>	<b>3,15,304</b>	<b>2,95,184</b>	<b>2,70,404</b>	<b>2,48,334</b>	<b>2,27,404</b>
Gross NPA Ratio	5.4	5.2	4.8	4.4	4.2	4.1	3.7	3.3	2.9	2.7	2.4	2.1	1.8
<b>Net NPAs</b>	<b>1,43,493</b>	<b>1,34,614</b>	<b>1,25,540</b>	<b>1,21,759</b>	<b>1,18,228</b>	<b>1,17,018</b>	<b>97,774</b>	<b>90,811</b>	<b>73,533</b>	<b>67,652</b>	<b>61,132</b>	<b>53,223</b>	<b>52,094</b>
Net NPA Ratio	1.7	1.6	1.4	1.3	1.3	1.2	1.0	0.9	0.7	0.6	0.5	0.5	0.4
<b>PCR</b>	<b>68.9</b>	<b>70.6</b>	<b>71.4</b>	<b>70.8</b>	<b>70.9</b>	<b>71.0</b>	<b>74.1</b>	<b>74.1</b>	<b>76.7</b>	<b>77.1</b>	<b>77.4</b>	<b>78.6</b>	<b>77.1</b>
<b>NPAs breakup</b>													
MSME	1,18,950	1,22,950	1,20,760	1,14,930	1,12,340	1,13,650	1,07,130	99,950	79,150	78,360	79,850	72,080	73,210
Retail	20,200	20,820	20,000	22,980	22,470	22,490	20,670	20,490	21,890	18,110	17,170	13,510	12,230
Agriculture	73,990	74,360	74,290	80,990	85,410	88,150	90,220	89,700	83,750	80,110	74,860	69,540	62,960
Corporate	2,48,460	2,39,140	2,24,510	1,98,320	1,85,830	1,79,270	1,59,310	1,40,470	1,30,510	1,18,600	98,520	93,200	79,000

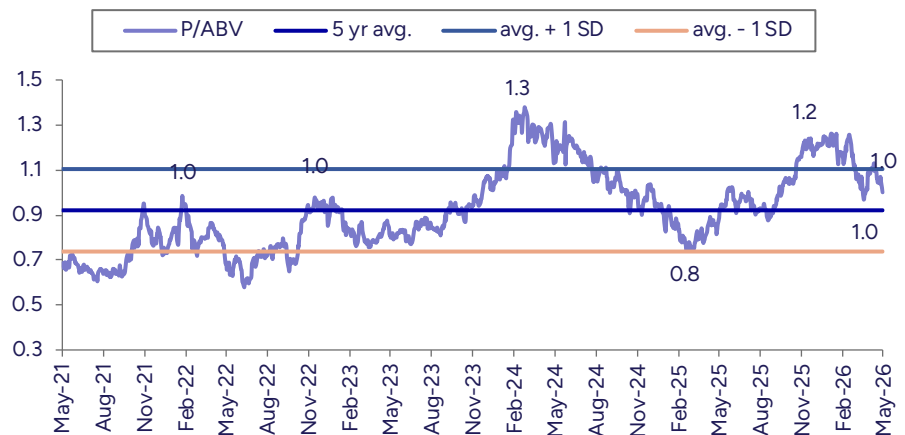
Source: Company, PL

Exhibit 11 : Return ratios to remain at ~15-15.5%

RoA decomposition (%)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Interest Income/Assets	2.2	2.4	2.6	2.3	2.1	2.1	2.1
Other Income/Assets	1.4	1.5	1.3	1.4	1.5	1.2	1.2
<b>Net revenues/Assets</b>	<b>3.6</b>	<b>3.9</b>	<b>3.9</b>	<b>3.7</b>	<b>3.6</b>	<b>3.3</b>	<b>3.3</b>
Operating Expense/Assets	1.7	1.7	1.8	1.8	1.7	1.7	1.7
Provisions/Assets	1.2	1.1	0.7	0.6	0.5	0.4	0.4
Taxes/Assets	0.3	0.3	0.4	0.4	0.3	0.3	0.3
<b>ROA</b>	<b>0.5</b>	<b>0.8</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>	<b>0.9</b>	<b>0.9</b>
<b>ROE</b>	<b>10.5</b>	<b>17.1</b>	<b>20.2</b>	<b>19.9</b>	<b>19.1</b>	<b>15.3</b>	<b>14.9</b>

Source: Company, PL

Exhibit 12 : One-year forward P/ABV trades at 1.0x



Source: Company, PL

## Quarterly Financials

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
<b>Income Statement (INR m)</b>								
Interest earned	287,014	297,401	303,116	310,020	310,028	315,439	319,816	318,379
Interest expended	195,351	204,249	211,630	215,601	219,941	224,027	227,293	220,299
<b>Net Interest Income</b>	<b>91,663</b>	<b>93,152</b>	<b>91,486</b>	<b>94,419</b>	<b>90,088</b>	<b>91,412</b>	<b>92,523</b>	<b>98,080</b>
Other income	53,189	49,810	58,022	63,508	70,605	70,538	78,994	48,244
<b>Fees</b>	<b>20,610</b>	<b>26,090</b>	<b>24,130</b>	<b>26,110</b>	<b>25,990</b>	<b>29,130</b>	<b>27,410</b>	<b>28,670</b>
Total Income	144,852	142,962	149,507	157,927	160,692	161,950	171,517	146,323
<b>Operating Expenses</b>	<b>68,690</b>	<b>66,424</b>	<b>71,141</b>	<b>75,090</b>	<b>75,157</b>	<b>76,069</b>	<b>80,322</b>	<b>78,750</b>
Employees	42,296	43,632	44,805	47,828	47,955	48,223	49,046	47,436
Others	26,394	22,792	26,336	27,262	27,201	27,847	31,276	31,313
Operating profit	76,161	76,538	78,366	82,837	85,536	85,881	91,195	67,574
<b>Core PPOp</b>	<b>55,163</b>	<b>64,728</b>	<b>64,555</b>	<b>70,149</b>	<b>52,521</b>	<b>61,273</b>	<b>60,121</b>	<b>64,460</b>
<b>Provisions</b>	<b>22,823</b>	<b>22,513</b>	<b>23,983</b>	<b>18,317</b>	<b>23,516</b>	<b>23,542</b>	<b>24,144</b>	<b>9,918</b>
Profit before tax	53,338	54,025	54,384	64,520	62,020	62,340	67,051	57,656
Taxes	14,285	13,880	13,342	14,493	14,500	14,600	15,500	12,600
Net Profit	39,053	40,145	41,042	50,027	47,520	47,740	51,551	45,056
<b>Core PAT</b>	<b>23,678</b>	<b>31,370</b>	<b>30,619</b>	<b>40,189</b>	<b>22,224</b>	<b>28,895</b>	<b>27,661</b>	<b>42,623</b>
<b>Balance Sheet (INR m)</b>								
Share capital	18,141	18,141	18,141	18,141	18,141	18,141	18,141	18,141
Reserves & surplus	908,514	952,621	964,077	980,860	1,026,406	1,064,767	1,114,251	1,115,685
Deposits	13,351,669	13,473,467	13,694,647	14,298,622	14,676,553	15,002,810	15,212,683	15,686,782
Borrowings	725,547	947,822	924,928	1,166,861	1,196,689	1,187,715	1,479,024	1,552,877
Other liabilities	318,063	365,028	324,690	382,372	358,544	375,416	399,469	458,535
<b>Total liabilities</b>	<b>15,321,935</b>	<b>15,757,079</b>	<b>15,926,483</b>	<b>16,846,856</b>	<b>17,276,334</b>	<b>17,648,849</b>	<b>18,223,568</b>	<b>18,832,019</b>
Cash & bank	1,612,281	1,626,320	1,404,301	2,053,402	2,050,716	1,911,960	2,024,243	2,063,033
Investments	3,700,246	3,729,450	3,793,721	3,821,794	3,973,234	3,946,109	3,947,364	4,034,146
Advances	9,463,531	9,840,412	10,237,269	10,491,550	10,735,762	11,301,139	11,728,157	12,200,175
Fixed assets	121,537	122,488	98,477	102,152	101,271	101,479	103,418	105,704
Other assets	424,341	438,410	392,716	377,959	415,351	388,162	420,386	428,961
<b>Total assets</b>	<b>15,321,935</b>	<b>15,757,079</b>	<b>15,926,483</b>	<b>16,846,856</b>	<b>17,276,334</b>	<b>17,648,849</b>	<b>18,223,568</b>	<b>18,832,019</b>
<b>Balance sheet ratios (%)</b>								
Loan growth	10.7	10.3	11.2	12.6	13.4	14.8	14.6	16.3
Deposit growth	12.0	9.3	8.4	9.0	9.9	11.4	11.1	9.7
LDR	70.9	73.0	74.8	73.4	73.1	75.3	77.1	77.8
CASA	28.6	28.7	27.5	29.0	27.0	28.5	27.1	27.3
<b>Capital Adequacy (%)</b>								
CET-1	12.1	12.0	12.0	12.0	12.3	12.2	12.4	12.4
Tier-2	2.0	1.9	1.9	2.0	1.9	1.9	1.9	2.5
CRAR	16.4	16.6	16.4	16.3	16.5	16.2	16.5	17.0
<b>Profitability ratios (%)</b>								
Yield on assets	8.2	8.1	8.0	7.8	7.9	7.7	7.6	7.3
Cost of funds	5.8	5.9	6.0	5.9	5.9	5.9	5.8	5.4
NIM	2.6	2.6	2.5	2.4	2.3	2.2	2.2	2.1
Fees/Assets	0.5	0.6	0.6	0.6	0.5	0.6	0.5	0.6
Cost/Income	47.4	46.5	47.6	47.5	46.8	47.0	46.8	53.8
Opex/avg assets	0.5	0.4	0.4	0.5	0.4	0.4	0.4	0.4
RoA	1.0	1.0	1.0	1.1	1.1	1.1	1.2	1.1
Core RoA	0.6	0.8	0.8	1.0	0.5	0.7	0.6	1.0
RoE	17.6	17.2	17.3	18.2	18.1	18.1	18.6	18.0
Core RoE	11.2	14.1	13.4	17.2	9.0	11.3	10.5	16.0
EPS (INR)	16.5	16.9	17.4	18.8	19.7	20.5	21.7	21.2
BVPS (INR)	102.2	107.0	108.3	110.1	115.2	119.4	124.8	125.0
ABVPS (INR)	-	-	-	-	-	-	-	-
<b>Asset quality ratios (%)</b>								
GNPA	4.1	3.7	3.3	2.9	2.7	2.4	2.1	1.8
NNPA	1.2	1.0	0.9	0.7	0.6	0.5	0.5	0.4
Provision coverage	71.0	74.1	74.1	76.7	77.1	77.4	78.6	77.1
Provision costs	1.0	1.0	1.0	0.7	0.9	0.9	0.9	0.3
Slippage	1.5	1.1	1.1	1.1	0.9	0.8	0.7	1.0
NNPA/Equity	12.6	10.1	9.2	7.4	6.5	5.6	4.7	4.6

Source: Company, PL

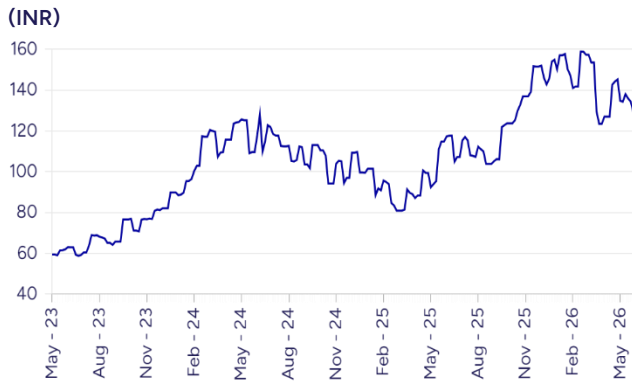
## Financials

Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Income Statement (INR m)</b>				
Interest earned	1,197,551	1,263,662	1,347,241	1,504,835
Interest expended	826,831	891,559	926,214	1,033,729
<b>Net Interest Income</b>	<b>370,720</b>	<b>372,102</b>	<b>421,027</b>	<b>471,105</b>
Other income	224,528	268,380	242,997	257,455
<b>Fees</b>	<b>96,945</b>	<b>111,200</b>	<b>123,844</b>	<b>140,161</b>
Net Total Income	595,248	640,483	664,024	728,560
<b>Operating Expenses</b>	<b>281,345</b>	<b>310,297</b>	<b>344,392</b>	<b>379,148</b>
Employees	178,561	192,660	211,879	231,203
Others	102,784.1	117,638.0	132,513.0	147,944.5
Operating profit	313,903	330,186	319,632	349,412
<b>Core PPop</b>	<b>254,599</b>	<b>238,375</b>	<b>264,479</b>	<b>292,119</b>
<b>Provisions</b>	<b>87,636</b>	<b>81,119</b>	<b>86,814</b>	<b>94,519</b>
Profit before tax	226,267	249,067	232,818	254,893
Taxes	56,000.0	57,200.0	58,204.4	63,723.3
Net Profit	170,267	191,867	174,613	191,170
<b>Core PAT</b>	<b>125,641</b>	<b>121,141</b>	<b>133,249</b>	<b>148,200</b>
<b>Growth Ratios (%)</b>				
Loans	12.6	16.3	12.0	12.0
Deposits	9.0	9.7	10.3	10.3
NII	1.4	0.4	13.1	11.9
Fees	18.5	14.7	11.4	13.2
Opex	7.7	10.3	11.0	10.1
Core PPop	3.5	(6.4)	11.0	10.5
Provisions	(9.7)	(7.4)	7.0	8.9
Core PAT	14.3	(3.6)	10.0	11.2
<b>Profitability Ratios (%)</b>				
Yield on IEA	7.8	7.3	7.0	7.0
Cost of funds	5.7	5.5	5.1	5.1
NIM	2.4	2.1	2.2	2.2
Cost/Income	47.3	48.4	51.9	52.0
Provision cost	0.9	0.7	0.7	0.7
Tax rate	24.7	23.0	25.0	25.0
<b>Core RoA</b>	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>
<b>Core RoE</b>	<b>14.9</b>	<b>12.3</b>	<b>11.9</b>	<b>11.7</b>
<b>Du-pont (%)</b>				
Interest income	7.5	7.1	6.8	6.8
Interest expenses	5.2	5.0	4.7	4.7
NII	2.3	2.1	2.1	2.1
Other income	1.4	1.5	1.2	1.2
<b>Fees/avg assets</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>
<b>Total income</b>	<b>3.7</b>	<b>3.6</b>	<b>3.3</b>	<b>3.3</b>
<b>Opex/avg assets</b>	<b>1.8</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>
Staff cost	1.1	1.1	1.1	1.0
Other opex	0.6	0.7	0.7	0.7
<b>PPOP</b>	<b>2.0</b>	<b>1.9</b>	<b>1.6</b>	<b>1.6</b>
<b>Core PPop/avg assets</b>	<b>1.6</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>
Provisions	0.6	0.5	0.4	0.4
<b>PBT</b>	<b>1.4</b>	<b>1.4</b>	<b>1.2</b>	<b>1.2</b>
Tax	0.4	0.3	0.3	0.3
<b>RoA</b>	<b>1.1</b>	<b>1.1</b>	<b>0.9</b>	<b>0.9</b>
<b>RoE</b>	<b>19.9</b>	<b>19.1</b>	<b>15.3</b>	<b>14.9</b>

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
<b>Balance Sheet (INR m)</b>				
Equity	999,001	1,133,826	1,273,517	1,426,453
Share capital	18,141	18,141	18,141	18,141
Deposits	14,298,622	15,686,782	17,300,859	19,085,423
Borrowings	1,166,861	1,552,877	1,888,763	2,281,784
Other Liabilities	382,372	458,535	496,332	537,246
<b>Total liabilities</b>	<b>16,846,856</b>	<b>18,832,019</b>	<b>20,959,471</b>	<b>23,330,906</b>
Cash with RBI	899,986	540,539	608,381	684,739
Balance with banks	1,153,416	1,522,494	1,680,549	1,855,012
Investments	3,821,794	4,034,146	4,414,634	4,831,828
Advances	10,491,550	12,200,175	13,663,111	15,301,471
Fixed assets	102,151	105,704	109,996	114,463
Other assets	377,959	428,961	482,799	543,394
<b>Total assets</b>	<b>16,846,856</b>	<b>18,832,019</b>	<b>20,959,471</b>	<b>23,330,906</b>
<b>Balance sheet ratios (%)</b>				
LDR	73.4	77.8	79.0	80.2
CASA	29.0	27.3	27.6	28.0
Inv/NDTL	24.1	22.8	22.4	22.1
Borr/NDTL	7.4	8.8	9.6	10.4
Assets/equity (x)	16.9	16.6	16.5	16.4
RWA/Loans	70.6	67.4	66.8	66.2
RWA/Total assets	43.9	43.6	43.5	43.4
<b>Capital ratios (%)</b>				
CRAR	16.3	15.7	17.7	18.6
CET-1	12.0	11.5	11.6	11.7
AT-1	2.3	1.7	1.5	1.4
Tier-2	2.0	2.5	4.6	5.5
<b>Asset quality ratios (%)</b>				
GNPA (INR mn)	315,310	227,410	188,507	168,859
NNPA (INR mn)	73,530	52,094	43,199	38,680
GNPA	2.9	1.8	1.4	1.1
NNPA	0.7	0.4	0.3	0.3
PCR	76.7	77.1	77.1	77.1
Slippage	0.9	0.9	0.8	0.8
NNPA / Equity	7.4	4.6	3.4	2.7
<b>Per share (INR)</b>				
EPS	18.8	21.2	19.3	21.1
DPS	4.0	4.2	3.9	4.2
BVPS	103.0	117.9	133.3	150.1
ABVPS	94.9	112.1	128.5	145.9
Core BVPS	-	-	-	-
Core ABVPS	-	-	-	-
<b>Valuation (x)</b>				
Price (INR)	106.0	126.0	129.4	129.4
P/E	5.0	6.5	6.7	6.1
P/BV	0.9	0.9	0.9	0.8
P/ABV	0.9	1.0	1.0	0.9
P/core BV	-	-	-	-
P/core ABV	-	-	-	-

Source: Company, PL

**Price Chart**

**Recommendation History**

No.	Date	Rating	TP (INR)	Share Price (INR)
1	10-Apr-26	Hold	160	137.91
2	19-Feb-26	Hold	160	152
3	30-Jan-26	Hold	160	150
4	08-Jan-26	Hold	160	153

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Axis Bank	BUY	1600	1366
2	Bank of Baroda	Accumulate	290	264
3	Canara Bank	Hold	160	138
4	Canara Robeco Asset Management Company	Hold	280	268
5	City Union Bank	BUY	310	276
6	DCB Bank	BUY	155	182
7	Federal Bank	Accumulate	300	285
8	HDFC Asset Management Company	Buy	3000	2662
9	HDFC Bank	Buy	1100	800
10	ICICI Bank	Buy	1825	1347
11	ICICI Prudential Asset Management Company	Buy	3585	3354
12	IndusInd Bank	Accumulate	960	848
13	Karur Vysya Bank	BUY	345	314
14	Kotak Mahindra Bank	Buy	480	383
15	Nippon Life India Asset Management	BUY	1050	990
16	Prudent Corporate Advisory Services	Accumulate	2875	2830
17	State Bank of India	Buy	1200	1019
18	Union Bank of India	Accumulate	200	180
19	UTI Asset Management Company	Hold	975	925

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<b>BUY</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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**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

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