

Canara Bank (CBK IN)

Q2FY27 Result Update

October 15, 2026

☒ Estimate Change | ☒ Target | ☐ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	BUY		BUY	
Target Price	160		150	
NII (INR. mn)	503,157	569,080	494,016	558,704
% Chng.	1.9	1.9		
Op. Profit (INR mn)	404,986	452,081	397,558	443,473
% Chng.	1.9	1.9		
EPS (INR)	25.4	28.7	24.6	27.9
% Chng.	3.3	2.9		

Key Data CNBK.BO | CBK IN

BSE Code	532483
NSE Code	CBK IN
52-W High / Low	INR 162 / INR 116
Face Value	2
Sensex / Nifty	72,782 / 22,623
Market Cap	INR 1,132 bn / \$ 11,893 mn
Shares Outstanding	9070.65 mn
3M Avg. Daily Value	INR 2,106.19 mn

Shareholding Pattern (%)

Promoters	62.93
FIs	12.27
Mutual Funds	7
Domestic Institution	5.38
Public & Others	12.42
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	0.6	(0.8)	(10.1)	(0.4)
Relative	3.4	5.0	(5.1)	12.3

Key Financials - Standalone

Y/e Mar	FY26	FY27E	FY28E	FY29E
NII (INR mn)	372,102	439,387	503,157	569,080
NIM (%)	2.1	2.2	2.3	2.3
Core PPOP (INR mn)	261,646	308,526	351,489	398,361
PAT (INR mn)	191,867	195,078	230,353	260,083
Core PAT (INR mn)	139,067	165,432	190,230	219,793
EPS (INR)	21.2	21.5	25.4	28.7
Gr. (%)	12.7	1.7	18.1	12.9
DPS (INR)	4.2	4.3	5.1	5.7
Yield (%)	3.3	3.4	4.1	4.6
RoAE (%)	19.1	17.0	17.5	17.2
Core RoAE (%)	14.1	14.6	14.6	14.7
RoAA (%)	1.1	1.0	1.0	1.0
Core RoAA (%)	0.8	0.8	0.8	0.9
P/BV (x)	1.1	0.9	0.8	0.7
P/ABV (x)	1.1	1.0	0.8	0.7
PE (x)	5.9	5.8	4.9	4.4
CAR (%)	17.0	17.7	18.8	19.6

Balance sheet mix and NIM levers to cushion earnings

Quick Pointers

- Core PPOP beat led by better NII/NIM, fee and lower opex
- Domestic loan momentum to sustain also supported by retail
- Levers in place to aid NIM; we raise core PAT by ~6%

CBK delivered a strong quarter with an all-round beat as core PPOP was 13.3% higher, led by better NII (superior NIM), fees and opex. Loan growth was healthy at 6.5% QoQ; excluding FCNR(B) related loans too, domestic credit growth was strong at ~5% QoQ mainly aided by corporate/agri. NIM may sustain at current level supported by (1) rise in corporate/agri loan yields (2) upcoming festive season that could spur demand for retail credit (3) low LDR at ~80% and (4) EBLR repricing. For FY27/28E we raise NIM by 7/6bps and core PAT by avg. ~6%. We keep multiple at 1.0x but raise TP to INR160 from INR150 as we roll forward to Sep'28 ABV. Retain 'BUY'

Strong core earnings due to beat on all parameters: NII was higher at INR110bn (PLe INR105.6bn), driven by NIM (calc.) that was a beat 2.38% (PLe 2.27%). Reported NIM improved 3bps QoQ to 2.55%. Loan and deposit growth at 20.4%/13.1% YoY were in-line. LDR increased to 80.2% (79.3% in Q1FY27). Other income was lower at INR 57.7bn (PLe INR 65.2bn) due to lower treasury income, partly offset by higher fees at INR 39.3bn (PLe INR 36.2bn). Opex was 6.3% below PLe at INR 80.2bn; core PPOP at INR 81.8bn was 13.3% above PLe. Asset quality improved due to lower net slippages, with GNPA at 1.33% (PLe 1.38%) and NNPA at 0.30%. Lower net slippages and reversal in NPI provisions led to lesser overall provisions at INR 17.8bn (PLe INR 22.2bn). Core PAT was 26.6% above PLe at INR 47.4bn, while reported PAT stood at INR 51.7bn.

Credit momentum could sustain: Loan growth was healthy at 6.5% QoQ; excl. FCNR(B) related loans, domestic loan growth was also strong at 4.8% QoQ which was driven by corporate (+6.4%) and agri (10.2%). Strong agri growth was mainly led by agri-gold (+15%). Bank expects loan momentum to sustain as corporate pipeline is INR470bn and festive demand is expected to support retail lending. FCNR(B) deposits of USD5.8bn helped avoid raising wholesale funding of INR300-350bn; which was partly offset by low spreads of 40-50bps on FCNR(B) related advances.

Upgrade in margins: NIM trajectory was better supported by improvement in corporate and gold loan yields by 5/14bps to 7.7%/9.1%. CBK expects reported NIM to sustain at ~2.55%, aided by repricing of repo-linked loans (53% share). One-time ECL provision is estimated at INR120-150bn, which is expected to be absorbed over 2 years, against RBI's 5-year dispensation supported by strong capital buffers (CET-1: 12.8%).

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	% Var.	Q2'26A	YoY gr. (%)
NII (INR mn)	1,05,564	1,10,048	4.2	91,412	20.4
Margin (%)	2.3	2.4	10 bps	2.3	10 bps
Core PPOP (INR mn)	72,164	81,776	13.3	70,453	16.1
Core PAT (INR mn)	37,464	47,441	26.6	35,925	32.1

Source: Company, PL

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Q2FY27 Conference Call Highlights

Balance sheet

- Management expects growth momentum to sustain and does not intend to revise FY27 guidance. The corporate/mid-corporate loan pipeline stood at ~INR 470bn, comprising INR300bn of hot leads and INR 170bn of sanctioned but undisbursed loans.
- Festive-season consumption is expected to support retail lending, which offers higher yields of 8.65–8.7%.
- Mobilisation of USD5.8bn (~INR550bn) through FCNR(B) deposits enabled the bank to maintain bulk deposits and CDs at June levels, avoiding incremental bulk funding of INR300–350bn. FCNR(B) funding was ~100bps cheaper than prevailing bulk deposit rates, with additional savings from lower CRR/SLR requirements. However, the USD3.2bn deployed into advances carries a relatively low spread of 40–50bps, partly offsetting the margin benefit.
- ECLGS disbursements exceeded INR 130bn, while the LCR stood at 115% as of 30th Sept 2026.

Profit & loss

- Incremental corporate loan yields improved to 7.72% from 7.68%, while gold loan yields increased to 9.10% from 8.96%; management expects gold loan yields to improve further despite NBFC competition.
- Bank expects to sustain NIM at ~2.55%, supported by repricing of the 53% repo-linked loan book following the 25bps rate hike and further MCLR-linked repricing, alongside festive-season retail lending growth. However, margin sustainability will depend on the relative repricing of deposits and advances.
- Treasury income recorded an MTM loss of INR 61 crore in Q2FY27, versus a profit of INR 611 crore in Q1FY27, amid hardening bond yields. Interest income on income-tax refunds contributed ~INR 900mn during the quarter. Pension and gratuity provisions under AS-15 amounted to INR9.5bn, similar to Q1FY27 levels.
- UPI MDR monetisation is expected to remain limited in the near term due to low ai1Pe adoption, with meaningful fee income dependent on higher transaction volumes and wider platform adoption.
- The sale of Canara Bank Factors (A subsidiary of canara bank) has been concluded, with the bank expecting ~4x returns on its INR 140mn investment.

Asset quality

- The estimated one-time ECL transition provision is INR 120–150bn, including an increase of ~INR 30bn due to yield hardening. Management expects the impact to be manageable, supported by strong capital buffers (CRAR: 17.19%; CET1: 12.80%), healthy PCR of 95.34% and robust profitability. The bank is yet to finalise the transition timeline, against the RBI's five-year dispensation & believes it can absorb the impact over 2 years.
- Gross slippages stood at INR 18.4bn, led by agriculture at INR 6.8bn and MSME at INR 7.8bn. Retail slippages were INR 3.3bn, corporate & gold-loan slippages were at INR130mn and INR 400mn, respectively.
- Across all ticket sizes, SMA-1 and SMA-2 exposure stood at 1.43% of advances, comprising 0.53% and 0.90%, respectively. Including SMA-0 exposure of 0.99%, total SMA exposure was 2.42%.
- Exposure to drought-affected areas in parts of Karnataka and Maharashtra was ~INR 130bn. Management expects restructuring, moratoriums and other relief measures under SLBC guidelines to mitigate the impact on recoveries and prevent deterioration in asset quality.

Exhibit 1: Quarterly Estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
NII	1,02,153	13.4	1,10,048	20.4	1,12,057	21.1	1,15,130	17.4
Core PPoP	77,092	18.6	81,776	16.1	75,241	22.3	74,418	15.1
NIM (%)	2.3	1.6 bps	2.4	12.1 bps	2.4	11.9 bps	2.3	7.7 bps
Core PAT	41,694	31.2	47,441	32.1	38,578	34.2	37,673	(11.9)

Source: Company, PL

Exhibit 2: PAT at 51.7bn driven by higher net interest income partly offset by decrease in other income

P&L (Rs mn)	Q2FY27	Q2FY26	YoY gr. (%)	Q2FY27E	% Var.	Q1FY27	QoQ gr. (%)
Interest income	3,51,594	3,15,439	11.5	3,43,577	2.3	3,29,570	6.7
Interest expense	2,41,546	2,24,027	7.8	2,38,013	1.5	2,27,418	6.2
Net interest income (NII)	1,10,048	91,412	20.4	1,05,564	4.2	1,02,153	7.7
Other Income	57,718	70,538	(18.2)	65,187	(11.5)	67,272	(14.2)
- Fee income	39,312	38,310	2.6	36,158	8.7	44,195	(11.0)
- Other non-interest income	18,406	32,228	(42.9)	29,029	(36.6)	23,077	(20.2)
Total income	1,67,766	1,61,950	3.6	1,70,751	(1.7)	1,69,425	(1.0)
Operating expenses	80,184	76,069	5.4	85,558	(6.3)	83,066	(3.5)
-Staff expenses	48,083	48,223	(0.3)	52,443	(8.3)	50,915	(5.6)
-Other expenses	32,101	27,847	15.3	33,115	(3.1)	32,151	(0.2)
Operating profit	87,581	85,881	2.0	85,193	2.8	86,359	1.4
Core operating profit	81,776	70,453	16.1	72,164	13.3	77,092	6.1
Total provisions	17,820	23,542	(24.3)	22,212	(19.8)	20,800	(14.3)
Profit before tax	69,762	62,340	11.9	62,981	10.8	65,558	6.4
Tax	18,014	14,600	23.4	15,745	14.4	17,000	6.0
Profit after tax	51,748	47,740	8.4	47,236	9.6	48,558	6.6

Balance Sheet (Rs mn)

Deposits	1,69,73,055	1,50,02,810	13.1	1,69,71,950	0.0	1,61,16,849	5.3
Advances	1,36,08,147	1,13,01,139	20.4	1,35,70,458	0.3	1,27,76,797	6.5

Ratios (calc %)

RoaA	1.1	1.1	-5.3 bps	1.0	10.1 bps	1.1	2.7 bps
RoaE	17.9	18.6	-71.2 bps	16.3	160.1 bps	17.4	50.4 bps
NIM	2.4	2.3	12.1 bps	2.3	10.9 bps	2.3	8.0 bps
Yield on Advances	8.6	8.7	-14.1 bps	8.3	27.4 bps	8.4	19.4 bps
Cost of Funds	5.5	5.9	-30.9 bps	5.4	11.5 bps	5.4	12.0 bps

Asset Quality

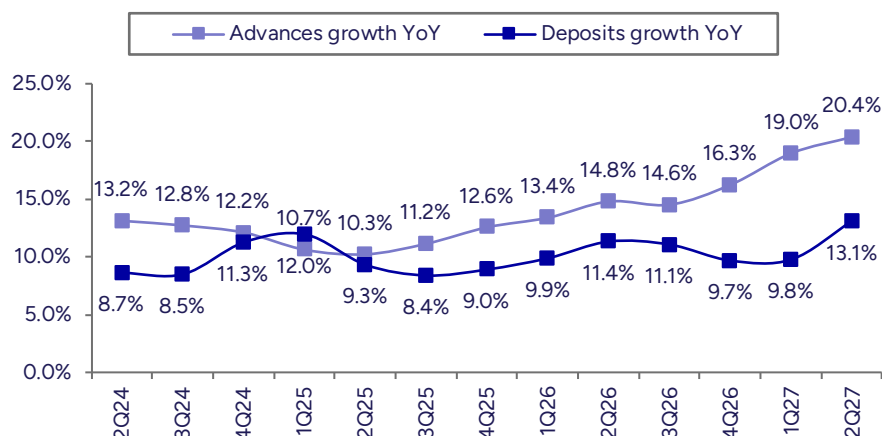
Gross NPL (Rs m)	1,82,990	2,70,403	(32.3)	1,88,824	(3.1)	2,03,543	(10.1)
Net NPL (Rs m)	40,532	61,132	(33.7)	43,429	(6.7)	46,530	(12.9)
Gross NPL ratio	1.3	2.4	-102.0 bps	1.4	-4.7 bps	1.6	-24.0 bps
Net NPL ratio	0.3	0.5	-24.0 bps	0.3	-2.0 bps	0.4	-6.0 bps
Coverage ratio	77.9	77.4	45.8 bps	77.0	85.0 bps	77.1	71.0 bps

Business & Other Ratios (%)

Low-cost deposit mix	26.4	28.5	-208.9 bps	26.7	-30.0 bps	27.2	-70.7 bps
Cost-income ratio	47.8	47.0	82.5 bps	50.1	-231.2 bps	49.0	-123.3 bps
Non int. inc / total income	34.4	43.6	-915.2 bps	38.2	-377.3 bps	39.7	-530.2 bps
Credit deposit ratio	80.2	75.3	484.8 bps	80.0	21.7 bps	79.3	89.9 bps
CAR	17.2	16.2	99.0 bps	-	-	17.2	2.0 bps
Tier-I	15.1	14.3	82.0 bps	-	-	15.0	10.0 bps

Source: Company, PL

Exhibit 3: Advances growth increased to 20.4% YoY; Deposit growth increased to 13.1% YoY



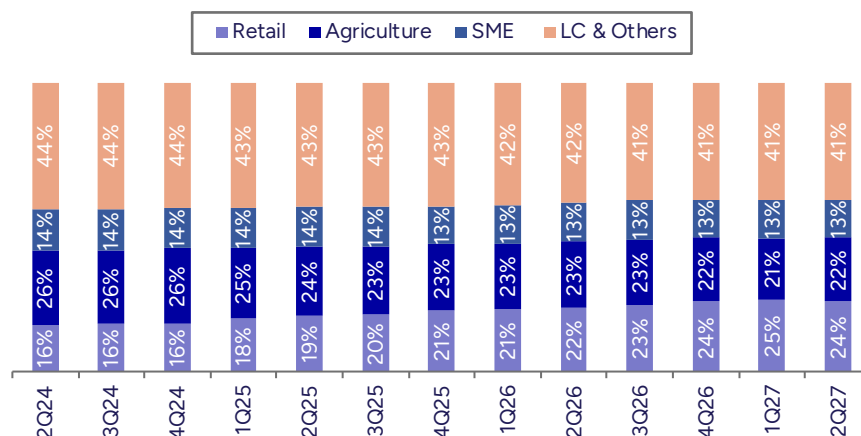
Source: Company, PL

Exhibit 4: Sequential growth of 6.3% driven by International and Agri

Loan Book Details (Rs mn)	Q2FY27	Q2FY26	YoY gr. (%)	Q1FY27	QoQ gr. (%)
Gross Advances	1,37,50,600	1,15,10,410	19.5	1,29,33,810	6.3
Large Corporates	56,27,500	47,99,000	17.3	52,87,060	6.4
SME	17,76,000	15,37,770	15.5	16,88,150	5.2
Agri	30,41,230	26,61,740	14.3	27,59,670	10.2
International	11,03,070	6,96,130	58.5	8,62,940	27.8
Retail	33,05,870	25,11,900	31.6	31,98,930	3.3

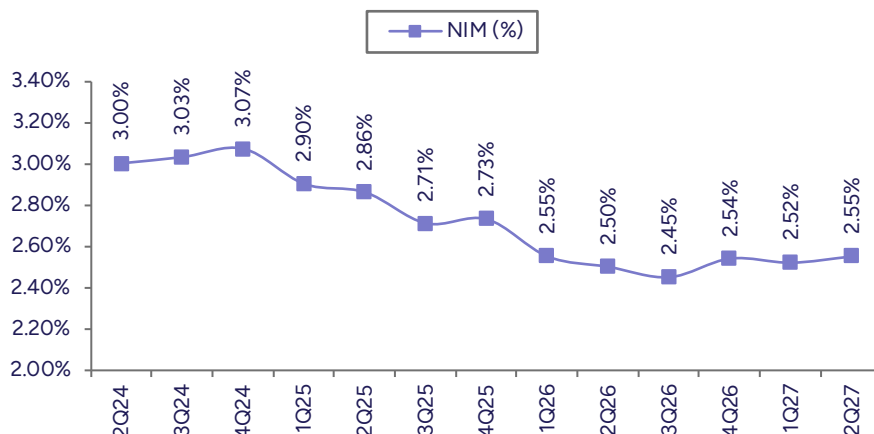
Source: Company, PL

Exhibit 5: Retail:corporate mix came in at 59:41



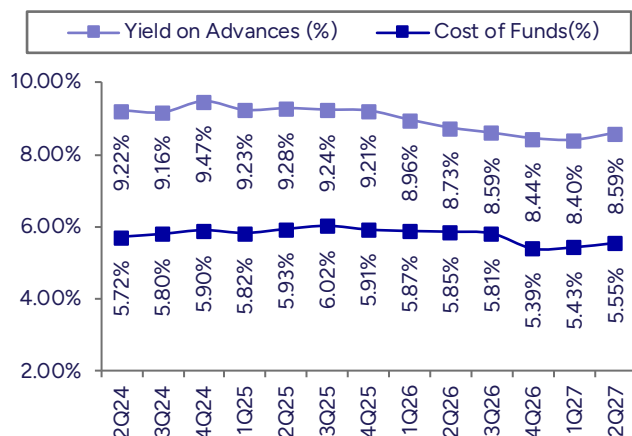
Source: Company, PL

Exhibit 6: NIM increased by 3bps QoQ to 2.55%



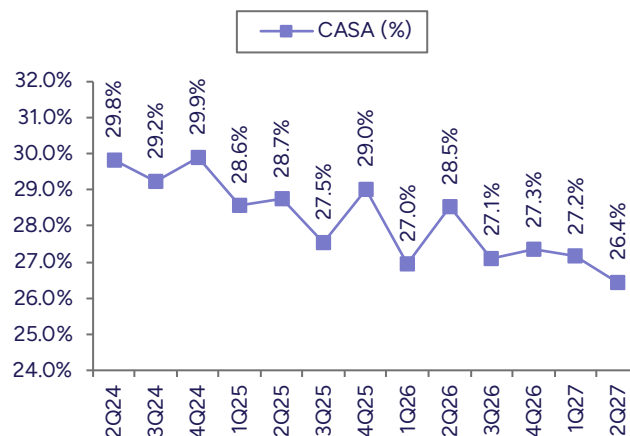
Source: Company, PL

Exhibit 7: Yield on advances grew to 8.59%; Cost of funds rose to 5.55%



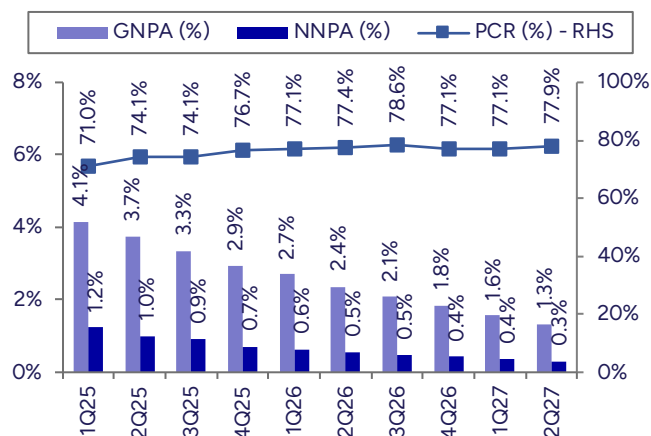
Source: Company, PL

Exhibit 8: CASA ratio declined to 26.4%



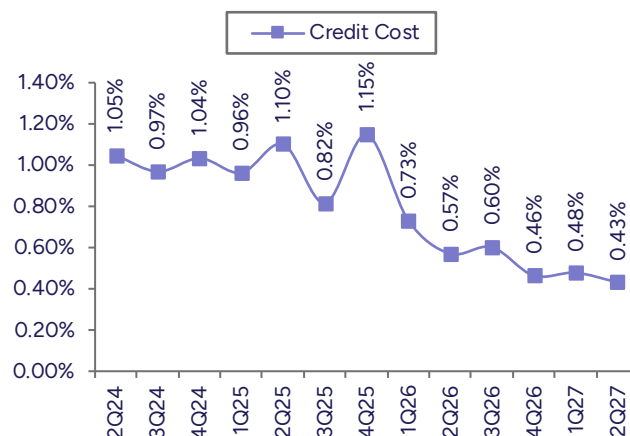
Source: Company, PL

Exhibit 9: GNPA/NNPA improved to 1.3%/0.3%



Source: Company, PL

Exhibit 10: Credit cost decreased to 0.43%



Source: Company, PL

Exhibit 11: Slippage was at 19.1bn, recoveries at 7.2bn; overall asset quality improved

(INR mn)	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27
Additions	29,870	31,760	34,000	33,370	23,450	24,640	27,020	21,660	21,020	18,990	28,000	18,010	19,160
Slippages (%)	1.6	1.7	1.8	1.5	1.1	1.1	1.1	0.9	0.8	0.7	1.0	0.6	0.6
Recovery	11,980	9,580	9,290	7,800	11,880	7,800	7,910	5,050	5,800	5,950	7,680	6,240	7,190
Upgradation	6,710	5,160	5,200	4,950	6,590	4,600	4,200	5,580	5,370	3,910	3,540	5,270	4,520
Write offs	28,890	39,360	30,670	23,116	31,210	38,960	50,220	31,150	34,630	31,200	37,710	30,360	28,000
Gross NPAs	4,39,560	4,17,220	4,06,060	4,03,564	3,77,334	3,50,614	3,15,304	2,95,184	2,70,404	2,48,334	2,27,404	2,03,544	1,82,994
Gross NPA Ratio	4.8	4.4	4.2	4.1	3.7	3.3	2.9	2.7	2.4	2.1	1.8	1.6	1.3
Net NPAs	1,25,540	1,21,759	1,18,228	1,17,018	97,774	90,811	73,533	67,652	61,132	53,223	52,094	46,530	40,532
Net NPA Ratio	1.4	1.3	1.3	1.2	1.0	0.9	0.7	0.6	0.5	0.5	0.4	0.4	0.3
PCR	71.4	70.8	70.9	71.0	74.1	74.1	76.7	77.1	77.4	78.6	77.1	77.1	77.9
NPAs breakup													
MSME	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	70,790	69,270
Retail	20,000	22,980	22,470	22,490	20,670	20,490	21,890	18,110	17,170	13,510	12,230	11,570	10,680
Agriculture	74,290	80,990	85,410	88,150	90,220	89,700	83,750	80,110	74,860	69,540	62,960	56,950	50,090
Corporate	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	64,230	52,950

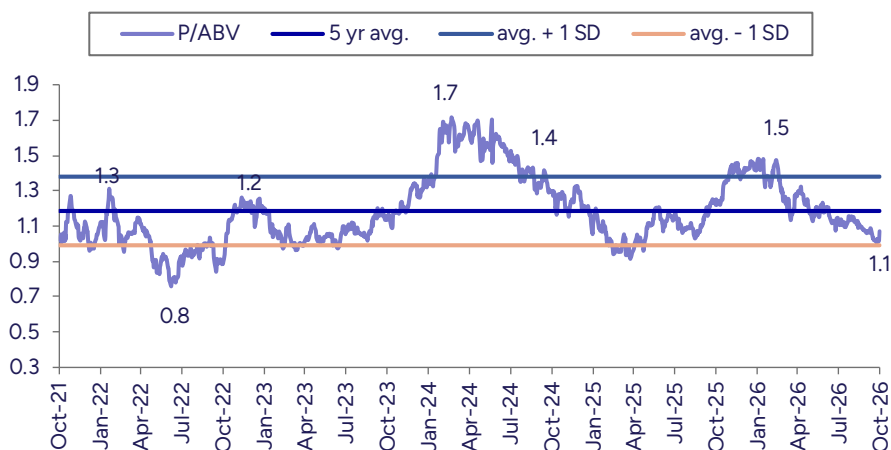
Source: Company, PL

Exhibit 12: Return ratios to remain at ~17-17.5%

RoA decomposition (%)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Net Interest Income/Assets	2.4	2.6	2.3	2.1	2.2	2.2	2.2
Other Income/Assets	1.5	1.3	1.4	1.5	1.2	1.2	1.1
Net revenues/Assets	3.9	3.9	3.7	3.6	3.4	3.4	3.4
Operating Expense/Assets	1.7	1.8	1.8	1.7	1.7	1.6	1.6
Provisions/Assets	1.1	0.7	0.6	0.5	0.4	0.4	0.4
Taxes/Assets	0.3	0.4	0.4	0.3	0.3	0.3	0.3
ROA	0.8	1.0	1.1	1.1	1.0	1.0	1.0
ROE	17.1	20.2	19.9	19.1	17.0	17.5	17.5

Source: Company, PL

Exhibit 13: One-year forward P/ABV trades at 1.1x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Income Statement (INR m)								
Interest earned	303,116	310,020	310,028	315,439	319,816	318,379	329,570	351,594
Interest expended	211,630	215,601	219,941	224,027	227,293	220,299	227,418	241,546
Net Interest Income	91,486	94,419	90,088	91,412	92,523	98,080	102,153	110,048
Other income	58,022	63,508	70,605	70,538	78,994	48,244	67,272	57,718
Fees	25,000	27,418	38,470	38,310	28,830	28,857	44,195	39,312
Total Income	149,507	157,927	160,692	161,950	171,517	146,323	169,425	167,766
Operating Expenses	71,141	75,090	75,157	76,069	80,322	78,750	83,066	80,184
Employees	44,805	47,828	47,955	48,223	49,046	47,436	50,915	48,083
Others	26,336	27,262	27,201	27,847	31,276	31,313	32,151	32,101
Operating profit	78,366	82,837	85,536	85,881	91,195	67,574	86,359	87,581
Core PPOp	65,425	71,457	65,001	70,453	61,541	64,647	77,092	81,776
Provisions	23,983	18,317	23,516	23,542	24,144	9,918	20,800	17,820
Profit before tax	54,384	64,520	62,020	62,340	67,051	57,656	65,558	69,762
Taxes	13,342	14,493	14,500	14,600	15,500	12,600	17,000	18,014
Net Profit	41,042	50,027	47,520	47,740	51,551	45,056	48,558	51,748
Core PAT	31,275	41,203	31,786	35,925	28,752	42,769	41,694	47,441
Balance Sheet (INR m)								
Share capital	18,141	18,141	18,141	18,141	18,141	18,141	18,141	18,141
Reserves & surplus	964,077	980,860	1,026,406	1,064,767	1,114,251	1,115,685	1,172,336	1,213,685
Deposits	13,694,647	14,298,622	14,676,553	15,002,810	15,212,683	15,686,782	16,116,849	16,973,055
Borrowings	924,928	1,166,861	1,196,689	1,187,715	1,479,024	1,552,877	1,536,989	1,679,120
Other liabilities	324,690	382,372	358,544	375,416	399,469	458,535	435,202	447,980
Total liabilities	15,926,483	16,846,856	17,276,334	17,648,849	18,223,568	18,832,019	19,279,517	20,331,982
Cash & bank	1,404,301	2,053,402	2,050,716	1,911,960	2,024,243	2,063,033	1,968,288	2,085,251
Investments	3,793,721	3,821,794	3,973,234	3,946,109	3,947,364	4,034,146	4,000,768	4,118,445
Advances	10,237,269	10,491,550	10,735,762	11,301,139	11,728,157	12,200,175	12,776,797	13,608,147
Fixed assets	98,477	102,152	101,271	101,479	103,418	105,704	105,368	108,588
Other assets	392,716	377,959	415,351	388,162	420,386	428,961	428,295	411,550
Total assets	15,926,483	16,846,856	17,276,334	17,648,849	18,223,568	18,832,019	19,279,517	20,331,982
Balance sheet ratios (%)								
Loan growth	11.2	12.6	13.4	14.8	14.6	16.3	19.0	20.4
Deposit growth	8.4	9.0	9.9	11.4	11.1	9.7	9.8	13.1
LDR	74.8	73.4	73.1	75.3	77.1	77.8	79.3	80.2
CASA	27.5	29.0	27.0	28.5	27.1	27.3	27.2	26.4
Capital Adequacy (%)								
CET-1	12.0	12.0	12.3	12.2	12.4	12.4	12.9	12.8
Tier-2	1.9	2.0	1.9	1.9	1.9	2.5	2.2	2.1
CRAR	16.4	16.3	16.5	16.2	16.5	17.0	17.2	17.2
Profitability ratios (%)								
Yield on assets	8.0	7.8	7.9	7.7	7.6	7.3	7.4	7.4
Cost of funds	6.0	5.9	5.9	5.9	5.8	5.4	5.4	5.5
NIM	2.5	2.4	2.3	2.2	2.2	2.1	2.3	2.3
Fees/Assets	0.6	0.6	0.9	0.8	0.6	0.6	0.9	0.8
Cost/Income	47.6	47.5	46.8	47.0	46.8	53.8	49.0	47.8
Opex/avg assets	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4
RoA	1.0	1.1	1.1	1.1	1.2	1.1	1.1	1.0
Core RoA	0.8	1.0	0.8	0.9	0.7	1.0	0.9	1.0
RoE	17.3	18.2	18.1	18.1	18.6	18.0	17.3	17.0
Core RoE	13.7	17.6	12.9	14.0	10.9	16.0	14.9	16.4
EPS (INR)	17.4	18.8	19.7	20.5	21.7	21.2	21.3	21.7
BVPS (INR)	108.3	110.1	115.2	119.4	124.8	125.0	131.2	135.8
ABVPS (INR)	-	-	-	-	-	-	-	-
Asset quality ratios (%)								
GNPA	3.3	2.9	2.7	2.4	2.1	1.8	1.6	1.3
NNPA	0.9	0.7	0.6	0.5	0.5	0.4	0.4	0.3
Provision coverage	74.1	76.7	77.1	77.4	78.6	77.1	77.1	77.9
Provision costs	1.0	0.7	0.9	0.9	0.9	0.3	0.7	0.6
Slippage	1.1	1.1	0.9	0.8	0.7	1.0	0.6	0.6
NNPA/Equity	9.2	7.4	6.5	5.6	4.7	4.6	3.9	3.3

Source: Company, PL

Financials

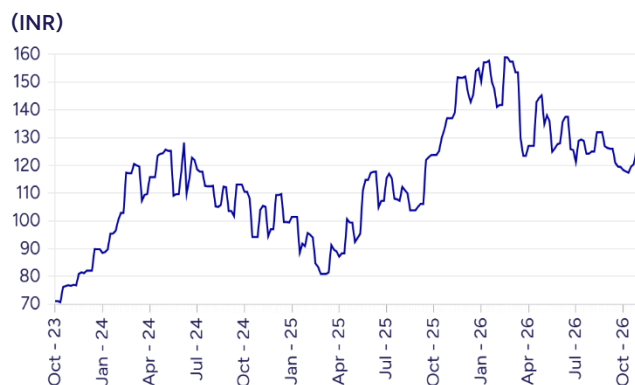
Y/e Mar	FY26	FY27E	FY28E	FY29E
Income Statement (INR m)				
Interest earned	1,263,662	1,422,712	1,653,543	1,872,315
Interest expended	891,559	983,325	1,150,386	1,303,234
Net Interest Income	372,102	439,387	503,157	569,080
Other income	268,380	248,648	275,495	293,994
Fees	134,470	156,469	169,998	190,274
Net Total Income	640,483	688,035	778,653	863,074
Operating Expenses	310,297	339,740	373,666	410,993
Employees	192,660	205,393	222,039	249,041
Others	117,637.1	134,347.3	151,627.0	161,951.9
Operating profit	330,186	348,295	404,986	452,081
Core PPop	261,646	308,526	351,489	398,361
Provisions	81,119	86,612	97,850	105,304
Profit before tax	249,067	261,683	307,137	346,777
Taxes	57,200.0	66,604.8	76,784.2	86,694.2
Net Profit	191,867	195,078	230,353	260,083
Core PAT	139,067	165,432	190,230	219,793
Growth Ratios (%)				
Loans	16.3	18.9	13.0	13.0
Deposits	9.7	14.3	11.1	11.1
NII	0.4	18.1	14.5	13.1
Fees	19.6	16.4	8.6	11.9
Opex	10.3	9.5	10.0	10.0
Core PPop	(3.1)	17.9	13.9	13.3
Provisions	(7.4)	6.8	13.0	7.6
Core PAT	1.3	19.0	15.0	15.5
Profitability Ratios (%)				
Yield on IEA	7.3	7.2	7.4	7.5
Cost of funds	5.5	5.3	5.5	5.5
NIM	2.1	2.2	2.3	2.3
Cost/Income	48.4	49.4	48.0	47.6
Provision cost	0.7	0.6	0.6	0.6
Tax rate	23.0	25.5	25.0	25.0
Core RoA	0.8	0.8	0.8	0.9
Core RoE	14.1	14.6	14.6	14.7
Du-pont (%)				
Interest income	7.1	7.0	7.2	7.3
Interest expenses	5.0	4.9	5.0	5.1
NII	2.1	2.2	2.2	2.2
Other income	1.5	1.2	1.2	1.1
Fees/avg assets	0.8	0.8	0.7	0.7
Total income	3.6	3.4	3.4	3.3
Opex/avg assets	1.7	1.7	1.6	1.6
Staff cost	1.1	1.0	1.0	1.0
Other opex	0.7	0.7	0.7	0.6
PPOP	1.9	1.7	1.8	1.8
Core PPop/avg assets	1.5	1.5	1.5	1.5
Provisions	0.5	0.4	0.4	0.4
PBT	1.4	1.3	1.3	1.3
Tax	0.3	0.3	0.3	0.3
RoA	1.1	1.0	1.0	1.0
RoE	19.1	17.0	17.5	17.2

Source: Company, PL

Y/e Mar	FY26	FY27E	FY28E	FY29E
Balance Sheet (INR m)				
Equity	1,133,826	1,287,583	1,471,865	1,679,931
Share capital	18,141	18,141	18,141	18,141
Deposits	15,686,781	17,937,582	19,921,008	22,130,156
Borrowings	1,552,877	1,912,370	2,371,083	2,910,072
Other Liabilities	458,534	466,079	504,499	546,085
Total liabilities	18,832,019	21,603,613	24,268,454	27,266,245
Cash with RBI	540,539	610,050	686,617	772,793
Balance with banks	1,522,494	1,586,675	1,751,392	1,933,210
Investments	4,034,146	4,352,484	4,833,755	5,369,796
Advances	12,200,175	14,507,020	16,390,010	18,517,409
Fixed assets	105,704	110,770	115,268	119,948
Other assets	428,961	436,614	491,412	553,089
Total assets	18,832,019	21,603,613	24,268,454	27,266,245
Balance sheet ratios (%)				
LDR	77.8	80.9	82.3	83.7
CASA	27.3	27.0	27.2	27.3
Inv/NDTL	22.8	21.4	21.2	21.0
Borr/NDTL	8.8	9.4	10.4	11.4
Assets/equity (x)	16.6	16.8	16.5	16.2
RWA/Loans	67.9	63.4	62.3	61.2
RWA/Total assets	44.0	42.6	42.1	41.6
Capital ratios (%)				
CRAR	17.0	17.7	18.8	19.6
CET-1	12.4	11.6	12.0	12.3
AT-1	2.2	1.5	1.4	1.2
Tier-2	2.5	4.6	5.5	6.1
Asset quality ratios (%)				
GNPA (INR mn)	227,410	156,114	122,301	112,735
NNPA (INR mn)	52,090	34,344	26,905	24,800
GNPA	1.8	1.1	0.7	0.6
NNPA	0.4	0.2	0.2	0.1
PCR	77.1	78.0	78.0	78.0
Slippage	0.7	0.7	0.7	0.7
NNPA / Equity	4.6	2.7	1.8	1.5
Per share (INR)				
EPS	21.2	21.5	25.4	28.7
DPS	4.2	4.3	5.1	5.7
BVPS	117.9	134.9	155.2	178.1
ABVPS	112.2	131.1	152.2	175.4
Valuation (x)				
Price (INR)	125.7	124.8	124.8	124.8
P/E	5.9	5.8	4.9	4.4
P/BV	1.1	0.9	0.8	0.7
P/ABV	1.1	1.0	0.8	0.7

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Oct-26	BUY	150	118
2	28-Jul-26	BUY	150	127
3	07-Jul-26	Accumulate	150	125
4	12-May-26	Accumulate	150	129
5	10-Apr-26	Hold	160	138
6	19-Feb-26	Hold	160	152
7	30-Jan-26	Hold	160	150
8	08-Jan-26	Hold	160	153

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Aditya Birla Sun Life AMC	BUY	1200	1010
2	Axis Bank	BUY	1550	1248
3	Bank of Baroda	Accumulate	280	233
4	Canara Bank	BUY	150	118
5	Canara Robeco Asset Management Company	HOLD	285	225
6	City Union Bank	BUY	250	224
7	DCB Bank	BUY	215	201
8	Federal Bank	BUY	400	320
9	HDFC Asset Management Company	BUY	2850	2352
10	HDFC Bank	BUY	950	711
11	ICICI Bank	BUY	1850	1343
12	ICICI Prudential Asset Management Company	BUY	3420	2969
13	Indian Bank	BUY	1000	813
14	IndusInd Bank	Accumulate	1150	906
15	Karur Vysya Bank	BUY	345	325
16	Kotak Mahindra Bank	BUY	500	432
17	Nippon Life India Asset Management	BUY	1250	1074
18	Prudent Corporate Advisory Services	Accumulate	3175	3200
19	State Bank of India	BUY	1200	959
20	Union Bank of India	Accumulate	190	168
21	UTI Asset Management Company	HOLD	975	888

PL's Recommendation Nomenclature (Absolute Performance)

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

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