

BUY
 TP: Rs 140 | ▲ 21%

CANARA BANK

| Banking

| 29 July 2024

Despite seasonality performance remained almost stable

- **Stable business growth coupled with change in credit mix likely aided margin. CBK targets NIM of 2.9-3.0% and opex of 47% over FY25**
- **Controlled slippages and higher recovery and upgrades led to asset quality improvement. Targets credit cost of below 100bps to aid PAT**
- **With consistent improvement in business performance, we assume coverage with TP of Rs 140 set at 1.2x FY26 ABV and maintain BUY**

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Consistent recovery in business performance: CBK witnessed some moderation in business growth due to seasonality while higher cost of fund dragged NII growth (-4%/+6% QoQ/YoY) with muted other income. Opex remained lower QoQ on higher base (Q4 included provision for wage revision) leading to a 266bps decline in C/I ratio of 47.4% within the guidance range of 47%. PPOP was flat YoY and grew 3% QoQ. NIM stood at 2.9% (lower end of the guidance), while the bank is confident of maintaining it at 2.95%-3% for FY25. CBK’s loan grew 2%/11% QoQ/YoY driven by RAM (Retail, Agriculture and MSME) book (12.3% YoY) while deposit continued to outpace loan and growth 2%/12% QoQ/YoY leading to a C/D ratio of 71% flat QoQ.

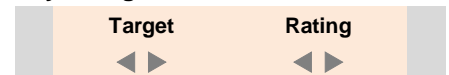
Lower topline dragged PPOP growth: Other income grew 2%/10% QoQ /YoY wherein treasury income fell to Rs 3.5bn in 1QFY25 vs. Rs 6.6bn in Q4 while other miscellaneous income rose to Rs29bn vs. Rs24.4bn supported by reclassification of an income line. In line with its guidance to recover Rs 40bn-50bn from written-off accounts, CBK recovered Rs 11.6bn in Q1 vs. Rs 19bn in Q4.

Performance in line with target: Considering ongoing market challenges and CBK’s focus on deposit mobilisation we cut our loan estimates by 1%/2% for FY25/FY26 (deposit broadly intact). Tweaking FY25/FY26 loan estimates led to 4%/7% decline in NII and a cut in provision led to 13%/1% rise in PAT. We model for credit/deposit CAGR of 12% each over FY24-26E with PAT CAGR of 9%.

Stress under control: Controlled slippages (33bps in 1QFY25 vs. 34bps in Q4) led to GNPA/NNPA improving 9/3bps, while PCR stayed flat at 71%. Bank credit cost stood at 90bps vs. 96bps in Q4 and within its guidance of 100bps, aiding bottomline. Restructured book at 1.2% and SMA book at 113bps (69bps in Q4) seem higher than for its peers but management is confident of improving its overall asset quality.

Maintain BUY: Considering overall recovery in business performance and stable growth and margin, we model a PAT CAGR of 9% over FY24-26 with ROA and RoE approaching 1%/15% by FY26E. We value the bank at 1.2x FY26E (Jun’26) ABV using the Gordon Growth Model and maintain our BUY rating and TP of Rs 140.

Key changes



Ticker/Price	CBK IN/Rs 116
Market cap	US\$ 12.6bn
Free float	42%
3M ADV	US\$ 55.9mn
52wk high/low	Rs 129/Rs 64
Promoter/FPI/DII	63%/12%/11%

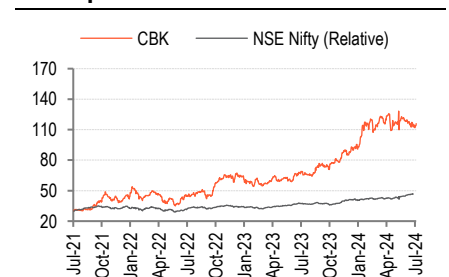
Source: NSE | Price as of 29 Jul 2024

Key financials

Y/E 31 Mar	FY24A	FY25E	FY26E
NII (Rs mn)	365,659	383,570	421,806
NII growth (%)	16.3	4.9	10.0
Adj. net profit (Rs mn)	145,543	167,204	172,815
EPS (Rs)	16.0	18.4	19.1
Consensus EPS (Rs)	16.0	18.0	19.6
P/E (x)	7.2	6.3	6.1
P/BV (x)	1.2	1.0	0.9
ROA (%)	1.0	1.1	1.0
ROE (%)	18.1	17.4	15.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly snapshot: Income statement

(Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	YoY (%)	QoQ (%)
Income Statement							
Interest Income	180,642	193,670	198,936	208,637	207,779	15.0	(0.4)
Income on investments	53,490	56,465	57,751	59,019	60,777	13.6	3.0
Int. on bal. with RBI & inter-bank funds & Others	15,908	18,242	23,702	20,417	18,458	16.0	(9.6)
Interest income	250,041	268,377	280,388	288,074	287,014	14.8	(0.4)
Interest expense	163,384	179,347	186,217	192,272	195,351	19.6	1.6
Net interest income	86,657	89,030	94,171	95,802	91,663	5.8	(4.3)
Growth YoY (%)	27.7	19.8	9.5	11.2	5.8	(2,195bps)	(540bps)
Fee Income	16,360	20,700	17,720	19,410	19,100	16.7	(1.6)
Trading gains/(losses)	2,940	3,560	3,100	6,630	3,490	18.7	(47.4)
Forex Income	2,360	1,960	1,560	1,770	1,510	(36.0)	(14.7)
Others	26,530	20,125	20,571	24,368	29,089	9.6	19.4
Non-interest income	48,190	46,345	42,951	52,178	53,189	10.4	1.9
Growth YoY (%)	(6.9)	(4.0)	7.7	9.3	10.4	1,726bps	110bps
Total income	134,847	135,375	137,122	147,980	144,852	7.4	(2.1)
Growth YoY (%)	12.7	10.4	8.9	10.5	7.4	(533bps)	(308bps)
Staff expenses	36,510	37,914	45,333	44,584	42,296	15.8	(5.1)
Other operating expenses	22,296	21,305	23,733	29,522	26,394	18.4	(10.6)
Operating expenses	58,806	59,219	69,067	74,106	68,690	16.8	(7.3)
Pre-Provisioning Profit (PPoP)	76,040	76,156	68,055	73,875	76,161	0.2	3.1
Growth YoY (%)	15.1	10.3	(2.1)	1.9	0.2	(1,494bps)	(171bps)
Provisions	27,189	26,080	18,989	24,818	22,823	(16.1)	(8.0)
Growth YoY (%)	(26.3)	(28.3)	(39.2)	(19.8)	(16.1)	1,026bps	375bps
PBT	48,851	50,076	49,066	49,056	53,338	9.2	8.7
Tax	13,503	14,015	12,505	11,484	14,285	5.8	24.4
PAT	35,348	36,061	36,561	37,572	39,053	10.5	3.9
Growth YoY (%)	74.8	42.8	26.9	18.3	10.5	(6,434bps)	(787bps)
Per Share							
FV (Rs)	10	10	10	10	1	(90.0)	(90.0)
EPS (Rs)	19	20	20	21	4	(77.9)	(79.2)
Book Value (Rs)	425	445	465	479	51	(88.0)	(89.3)

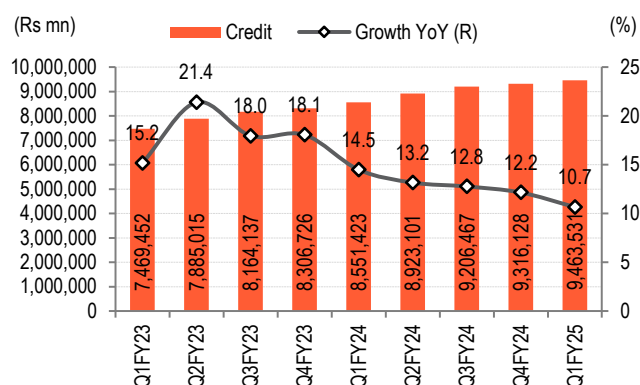
Source: BOBCAPS Research, Company | RBI: Reserve Bank of India

Fig 2 – Quarterly snapshot: Key balance sheet & other metrics

(Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	YoY (%)	QoQ (%)
Deposits	11,924,699	12,322,151	12,629,306	13,123,666	13,351,669	12.0	1.7
Growth YoY (%)	6.6	8.7	8.5	11.3	12.0	532bps	68bps
Advances	8,551,423	8,923,101	9,206,467	9,316,128	9,463,531	10.7	1.6
Growth YoY (%)	14.5	13.2	12.8	12.2	10.7	(382bps)	(149bps)
Investment	3,318,095	3,443,376	3,433,763	3,574,544	3,700,246	11.5	3.5
Equity	771,166	807,238	843,798	869,546	926,655	20.2	6.6
Assets	13,854,726	14,260,621	14,690,855	14,915,407	15,321,935	10.6	2.7
Growth YoY (%)	9.2	9.9	11.3	10.8	10.6	140bps	(24bps)
Yield (%)							
Yield on Funds	7.64	7.96	8.07	8.09	7.87	23bps	(22bps)
Cost of Funds	5.20	5.54	5.59	5.65	5.63	43bps	(3bps)
Spread	2.44	2.42	2.48	2.44	2.24	(20bps)	(20bps)
Net Interest Margin (calc.)	2.65	2.64	2.71	2.69	2.51	(13bps)	(18bps)
Ratios (%)							
Other Income / Net Income	35.7	34.2	31.3	35.3	36.7	98bps	146bps
Cost to Income ratio	43.6	43.7	50.4	50.1	47.4	381bps	(266bps)
CASA ratio	30.6	29.8	29.2	29.9	28.6	(199bps)	(133bps)
C/D ratio	71.7	72.4	72.9	71.0	70.9	(83bps)	(11bps)
Investment to Assets	23.9	24.1	23.4	24.0	24.1	20bps	18bps
Asset Quality							
GNPA	457,274	439,556	417,219	406,046	403,564	(11.7)	(0.61)
NNPA	134,614	125,540	121,759	118,228	117,018	(13.1)	(1.0)
Provision	322,659	314,016	295,460	287,817	286,546	(11.2)	(0.4)
GNPA (%)	5.15	4.76	4.39	4.23	4.14	(101bps)	(9bps)
NNPA (%)	1.57	1.41	1.32	1.27	1.24	(33bps)	(3bps)
Provision (%)	70.6	71.4	70.8	70.9	71.0	44bps	12bps
Others (nos)							
Branches	9,656	9,522	9,588	9,608	9,627	(81)	(115)
ATMs	10,683	10,553	12,120	12,155	12,256	(134)	8

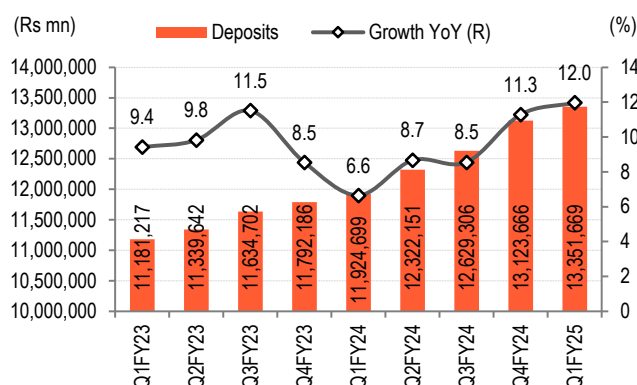
Source: BOBCAPS Research, Company

Fig 3 – Loan growth moderate on seasonality



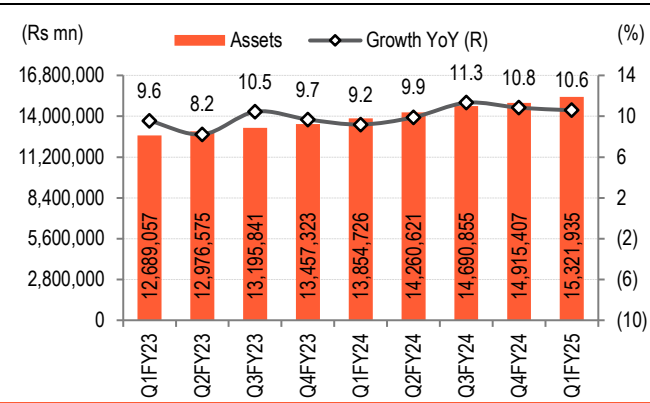
Source: Company, BOBCAPS Research

Fig 4 – Deposits grew in line with industry, led by term deposits



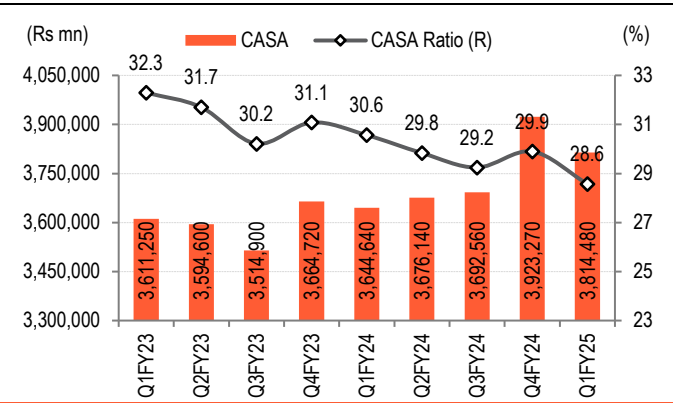
Source: Company, BOBCAPS Research

Fig 5 – Assets grew 11% YoY



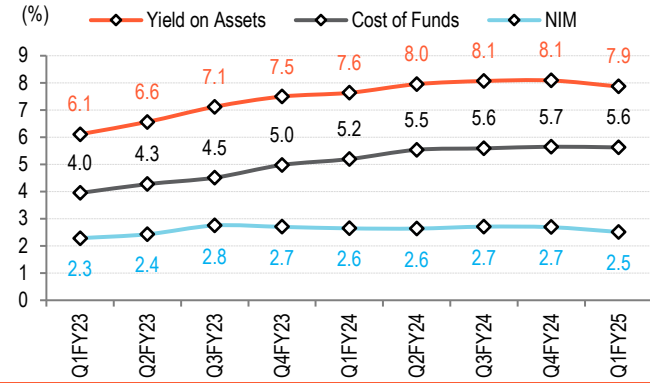
Source: Company, BOBCAPS Research

Fig 6 – CASA mobilisation remained weak, led to 133bps decline in CASA



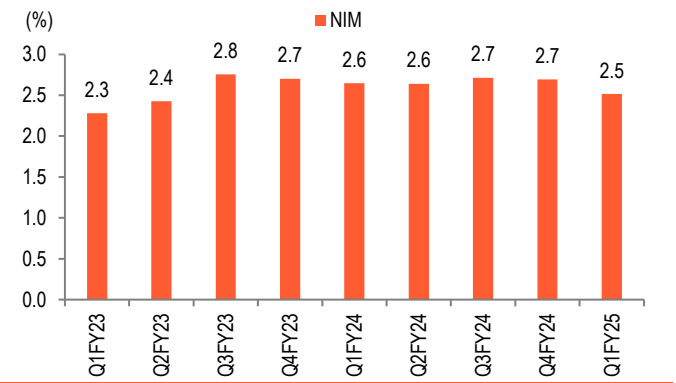
Source: Company, BOBCAPS Research

Fig 7 – NIM declined on higher cost of fund and income reclassification



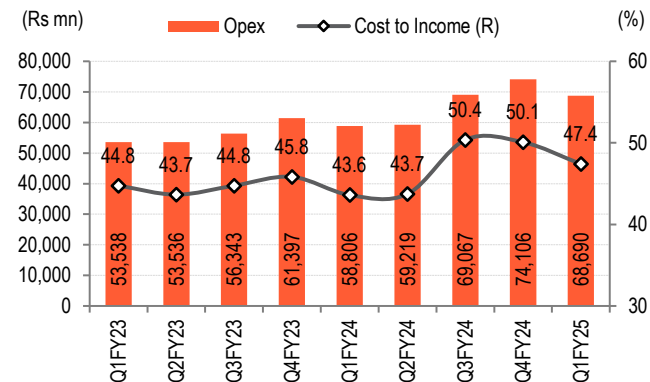
Source: Company, BOBCAPS Research

Fig 8 – NIM (calc.) expected to sustain at current level



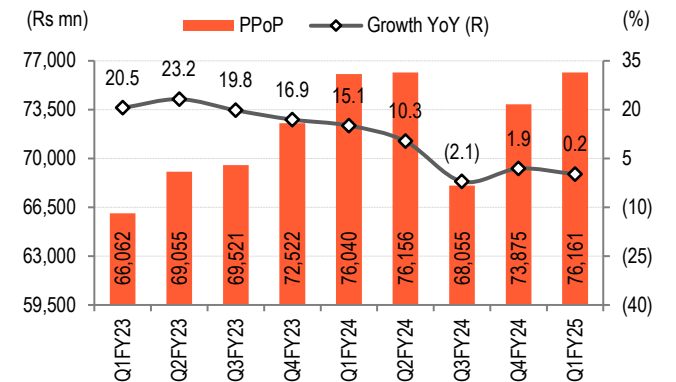
Source: Company, BOBCAPS Research

Fig 9 – C/I ratio in line with target



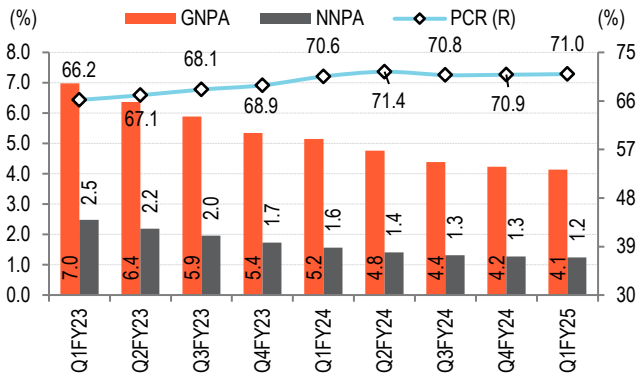
Source: Company, BOBCAPS Research

Fig 10 – Lower topline led to muted PPOP



Source: Company, BOBCAPS Research

Fig 11 – Asset quality continues to improve



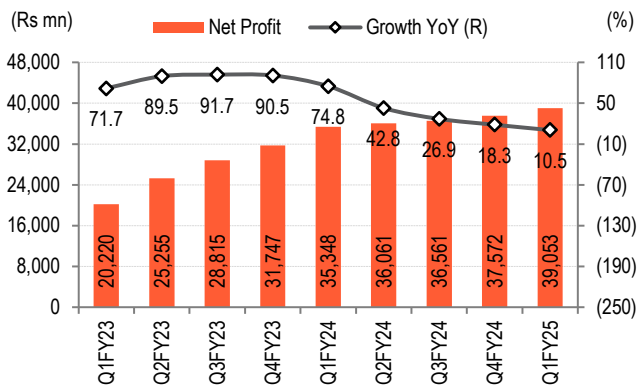
Source: Company, BOBCAPS Research

Fig 12 – Credit cost improved to 90bps



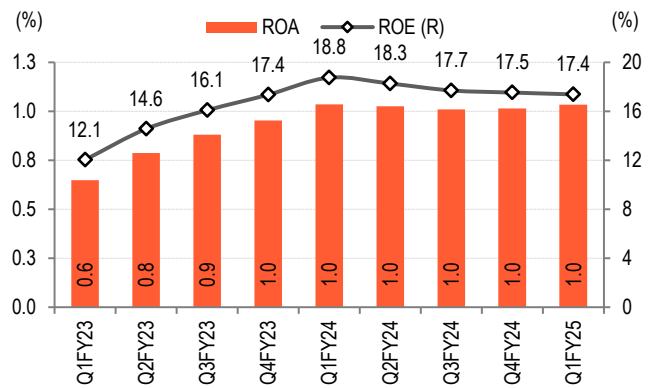
Source: Company, BOBCAPS Research

Fig 13 – PAT declined on lower topline



Source: Company, BOBCAPS Research

Fig 14 – Return ratios have potential for further improvement



Source: Company, BOBCAPS Research

Fig 15 – Loan book trend

(Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	YoY (%)	QoQ (%)
Retail Loans	1,422,970	1,482,090	1,536,400	1,564,140	1,757,940	23.5	12.4
Agriculture	2,227,570	2,369,530	2,424,700	2,532,060	2,408,940	8.1	(4.9)
SME	1,264,210	1,317,870	1,343,340	1,318,690	1,350,620	6.8	2.4
RAM	4,914,750	5,169,490	5,304,440	5,414,890	5,517,500	12.3	1.9
Corporate	3,961,960	4,070,170	4,199,860	4,191,130	4,234,330	6.9	1.0
Domestic Gross Advances	8,430,630	8,782,560	9,014,650	9,081,820	9,203,340	9.2	1.3
Overseas Gross Loan	446,080	457,100	489,650	524,200	548,490	23.0	4.6
Total Gross Loan	8,876,710	9,239,660	9,504,300	9,606,020	9,751,830	9.9	1.5

Source: Company, BOBCAPS Research

Fig 16 – Loan book distribution

(%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	YoY (%)	QoQ (%)
Retail Loans	16.0	16.0	16.2	16.3	18.0	200bps	174bps
Agriculture	25.1	25.6	25.5	26.4	24.7	(39bps)	(166bps)
SME	14.2	14.3	14.1	13.7	13.8	(39bps)	12bps
RAM	55.4	55.9	55.8	56.4	56.6	121bps	21bps
Corporate	44.6	44.1	44.2	43.6	43.4	(121bps)	(21bps)
Domestic advances	95.0	95.1	94.8	94.5	94.4	(60bps)	(17bps)
Overseas Loan	5.0	4.9	5.2	5.5	5.6	60bps	17bps
Total Gross Loan	100.0	100.0	100.0	100.0	100.0	0bps	0bps

Source: Company, BOBCAPS Research

Fig 17 – Deposits trend

(Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	YoY (%)	QoQ (%)
CASA Deposits	3,644,640	3,676,140	3,692,560	3,923,270	3,814,480	4.7	(2.8)
Term Deposits	7,400,420	7,757,800	7,975,920	8,226,240	8,497,360	14.8	3.3
Domestic Deposits	11,045,060	11,433,940	11,668,480	12,149,510	12,311,840	11.5	1.3
Overseas Deposits	879,640	888,210	960,820	974,150	1,039,830	18.2	6.7
Total Deposits	11,924,700	12,322,150	12,629,300	13,123,660	13,351,670	12.0	1.7

Source: Company, BOBCAPS Research

Fig 18 – Deposits distribution

(%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	YoY (%)	QoQ (%)
Domestic CASA Deposits	33.0	32.2	31.6	32.3	31.0	(202bps)	(131bps)
CASA Deposits	30.6	29.8	29.2	29.9	28.6	(199bps)	(133bps)
Term Deposits	62.1	63.0	63.2	62.7	63.6	158bps	96bps
Domestic Deposits	92.6	92.8	92.4	92.6	92.2	(41bps)	(37bps)
Overseas Deposits	7.4	7.2	7.6	7.4	7.8	41bps	37bps
Total Deposits	100.0	100.0	100.0	100.0	100.0	0bps	0bps

Source: Company, BOBCAPS Research

Earnings call highlights

Management guidance

Management guided for business growth of 9-10% in FY25, which is conservative but aims to achieve more.

Growth would be driven by RAM for which the bank is targeting a 58% contribution over FY26 from the current 57%.

It continues to guide for NIM of 2.95%-3.0%, assuming the current liquidity position continues, and indicated the contraction in the current quarter's NIM was due to seasonality.

Management anticipates gross non-performing assets (GNPA) to be around 3.5% and net non-performing assets (NNPA) to be 1.1% with a PCR of 90%. It restricts slippages ratio to a 1.3% range

CBK expects the cost-to-income ratio to stabilise at around 47% in FY25.

Asset quality

Regarding asset quality, the bank's written-off pool stands at Rs 680bn-720bn, with yearly recoveries from this pool expected to continue at around Rs 40bn-50bn. Regarding asset quality, the bank's written-off pool stands at Rs 680bn-720bn, with yearly recoveries from this pool expected to continue at around Rs 40bn-50bn.

CBK's SMA 0 is build up due to a Rs 38bn public sector unit (PSU) account where the bank has provided Rs 5.6bn as per the norm. SMA 1 and SMA 2 stood at Rs 8.8bn/Rs 41.3bn vs. Rs 12.3bn/Rs 39.0bn in Q4.

The bank's standard restructured book stood at Rs 110bn vs. Rs 120bn in Q4FY24.

NIM

The bank reduced about Rs 225bn (Rs 100bn-120bn in Q4FY24) of its lower-yielding AAA-rated corporate exposures, which helped the bank maintain NIM in 1QFY25.

The bank plans to reduce gradually its large, finely-priced corporate exposures to Rs 250bn-300bn, from the current aggregate of around Rs 700bn.

The average yield on the corporate book increased to 8.21% in 1QFY25 from 8.1% in Q4FY24.

About 51% of the bank's advances are linked to the marginal cost of funds-based lending rate (MCLR), 38% to the repo-linked lending rate (RLLR), and 11% to staff loans and loans against fixed deposits.

Advances

During the quarter, the bank shredded Rs 225bn of low yielding advances.

Within loan growth, the RAM book grew 12.3% YoY. Within RAM, retail credit grew 23.5%, housing loan 12% YoY and vehicle loan growth 15.5% YoY.

Deposits

The bank has implemented various initiatives to drive growth in its current account and savings account (CASA) segment. These efforts contributed to a notable increase in current account balances in Q4FY24, although a portion of this growth is attributed to seasonally higher floating balances. The bank aims to increase its CASA ratio to 35% over the next two years.

Valuation methodology

We model in credit/deposit growth CAGR of 12% each for FY24-FY26 mainly driven by RAM, while expecting margin to remain stable at the current level with some upward bias supported by change in mix (the gradual shift in portfolio towards high-yielding RAM from the low yielding AAA-rated corporate book). We estimate NII CAGR of 7% (earlier 11%) while expecting NIM (calc.) of 2.5% vs. 2.7% over FY24-FY26. However, we expect moderation in C/I over the same period leading to PPOP CAGR of 10%. We expect recovery in written-off accounts will continue with average recovery of Rs 40bn-50bn per year aiding topline, as the bank has a large pool of written-off accounts to be recovered.

In terms of asset quality, the bank's conservative approach and its focus on higher recovery and upgradation are likely to augur well and we estimate its GNPA and NNPA to approach 3.4%/0.98% in FY26E. We model in credit cost of 98/111bps (110/115bps earlier) over FY25E/FY26E. We believe these are at the conservative end (as its portfolio shifts more towards retail and SME is likely to stress) considering controlled slippages and lower net stress addition which is 10bps higher than its guidance range of below 100bps.

Considering CBK's overall recovery in business performance and stable growth and margin, we model a PAT CAGR of 9% over FY24-26 with ROA and RoE approaching 1%/15% by FY26E. We value the bank at 1.2x FY26E (Jun'26) ABV using the Gordon Growth Model and maintain our BUY rating and TP of Rs 140.

Fig 19 – Revised estimates

(Rs mn)	New		Old		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Loan	10,350,219	11,592,245	10,489,960	11,801,206	(1.3)	(1.8)
Deposits	14,737,877	16,462,209	14,632,888	16,344,936	0.7	0.7
Assets	16,671,664	18,620,302	16,681,426	18,753,362	(0.1)	(0.7)
NII	383,570	421,806	397,523	452,329	(3.5)	(6.7)
PPOP	321,059	354,372	308,842	359,241	4.0	(1.4)
Provision	96,020	121,781	108,933	128,174	(11.9)	(5.0)
PAT	167,204	172,815	148,532	171,683	12.6	0.7

Source: BOBCAPS Research

Fig 20 – Key operational assumptions

(%)	FY23A	FY24E	FY25E	FY26E
Advances Growth	18.1	12.2	11.1	12.0
Net Interest Income Growth	19.1	16.3	4.9	10.0
PPoP Growth	20.0	6.1	9.2	10.4
PAT Growth	86.7	37.3	14.9	3.4
NIM	2.6	2.7	2.5	2.5
GNPA	5.3	4.2	3.8	3.4
CAR	16.7	16.3	16.9	16.9

Source: Company, BOBCAPS Research

Fig 21 – Valuation assumptions

Gordon Growth Model	(%)
Return on Equity (RoE)	6.4
Cost of Equity (Ke)	6.0
Growth (Period 1)	1.4
Growth (Long Term)	14.6
Initial High Growth Period (years)	15.0
Dividend Payout (Period 1)	10.0
Dividend Payout (Long Term)	20.0
Factor 1	6.0
Factor 2	60.0
Justified P/BV (x)	1.2

Source: BOBCAPS Research

Key risks

Key downside risks to our estimates are:

- any sudden delinquency in the retail and SME segments, resulting in higher provision requirements, and
- inability to manage cost of funds, which may drag NIM and overall profitability.

Sector recommendation snapshot

Company	Ticker	Market Cap (US\$ bn)	Price (Rs)	Target (Rs)	Rating
Axis Bank	AXSB IN	43.2	1,170	1,222	HOLD
Bandhan Bank	BANDHAN IN	4.2	219	245	BUY
Canara Bank	CBK IN	12.6	116	140	BUY
DCB Bank	DCBB IN	0.5	125	172	BUY
Federal Bank	FB IN	5.9	201	242	BUY
HDFC Bank	HDFCB IN	144.5	1,605	1,872	BUY
ICICI Bank	ICICIB IN	101.9	1,213	1,352	HOLD
IDFC First Bank	IDFCBK IN	6.0	75	96	BUY
Indusind Bank	IIB IN	13.1	1,412	1,844	BUY
Kotak Mahindra Bank	KMB IN	42.6	1,794	2,040	BUY
RBL Bank	RBK IN	1.7	235	276	BUY
State Bank of India	SBIN IN	92.9	872	969	BUY

Source: BOBCAPS Research, NSE | Price as of 29 Jul 2024

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Net interest income	314,353	365,659	383,570	421,806	465,910
NilI growth (%)	19.1	16.3	4.9	10.0	10.5
Non-interest income	187,622	189,664	226,371	248,808	277,805
Total income	501,975	555,324	609,941	670,614	743,715
Operating expenses	224,815	261,198	288,882	316,243	347,095
PPOP	277,160	294,126	321,059	354,372	396,620
PPOP growth (%)	20.0	6.1	9.2	10.4	11.9
Provisions	135,430	97,076	96,020	121,781	136,394
PBT	141,730	197,050	225,039	232,591	260,226
Tax	35,692	51,507	57,835	59,776	66,878
Reported net profit	106,038	145,543	167,204	172,815	193,348
Adjustments	0	0	0	0	0
Adjusted net profit	106,038	145,543	167,204	172,815	193,348

Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Equity capital	18,141	18,141	18,141	18,141	18,141
Reserves & surplus	717,930	851,405	1,036,603	1,173,127	1,325,872
Net worth	736,072	869,546	1,054,744	1,191,268	1,344,013
Deposits	11,792,186	13,123,666	14,737,877	16,462,209	18,437,674
Borrowings	580,898	575,923	731,422	797,250	869,002
Other liab. & provisions	348,167	346,272	147,621	169,575	133,929
Total liab. & equities	13,457,322	14,915,407	16,671,664	18,620,302	20,784,618
Cash & bank balance	1,414,232	1,507,597	1,751,988	1,825,205	2,041,643
Investments	3,190,385	3,574,544	3,972,689	4,565,662	5,046,127
Advances	8,306,726	9,316,128	10,350,219	11,592,245	12,983,314
Fixed & Other assets	545,980	517,137	596,769	637,190	713,534
Total assets	13,457,322	14,915,407	16,671,664	18,620,302	20,784,618
Deposit growth (%)	8.5	11.3	12.3	11.7	12.0
Advances growth (%)	18.1	12.2	11.1	12.0	12.0

Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25E	FY26E	FY27E
EPS	11.7	16.0	18.4	19.1	21.3
Dividend per share	2.4	3.2	3.9	4.0	4.5
Book value per share	81.1	95.9	116.3	131.3	148.2

Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25E	FY26E	FY27E
P/E	9.9	7.2	6.3	6.1	5.4
P/BV	1.4	1.2	1.0	0.9	0.8
Dividend yield (%)	2.1	2.8	3.3	3.5	3.9

DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25E	FY26E	FY27E
Net interest income	2.8	2.6	2.4	2.4	2.4
Non-interest income	1.7	1.3	1.4	1.4	1.4
Operating expenses	1.9	1.8	1.8	1.8	1.8
Pre-provisioning profit	2.6	2.1	2.0	2.0	2.0
Provisions	1.2	0.7	0.6	0.7	0.7
PBT	1.4	1.4	1.4	1.3	1.3
Tax	0.3	0.4	0.4	0.3	0.3
ROA	1.1	1.0	1.1	1.0	1.0
Leverage (x)	19.7	17.7	16.4	15.7	15.5
ROE	20.9	18.1	17.4	15.4	15.3

Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25E	FY26E	FY27E
YoY growth (%)					
Net interest income	19.1	16.3	4.9	10.0	10.5
Pre-provisioning profit	20.0	6.1	9.2	10.4	11.9
EPS	78.1	37.3	14.9	3.4	11.9
Profitability & Return ratios (%)					
Net interest margin	0.0	3.1	2.9	2.8	2.8
Fees / Avg. assets	0.0	0.0	0.0	0.0	0.0
Cost-Income	44.8	47.0	47.4	47.2	46.7
ROE	20.9	18.1	17.4	15.4	15.3
ROA	1.1	1.0	1.1	1.0	1.0
Asset quality (%)					
GNPA	5.3	4.2	3.8	3.4	3.2
NNPA	1.7	1.3	1.1	1.0	0.9
Slippage ratio	1.7	1.3	0.1	1.5	1.5
Credit cost	1.8	1.1	1.0	1.1	1.1
Provision coverage	67.2	69.6	69.9	71.0	71.1
Ratios (%)					
Credit-Deposit	70.4	71.0	70.2	70.4	70.4
Investment-Deposit	27.1	27.2	27.0	27.7	27.4
CAR	16.7	16.3	16.9	16.9	17.0
Tier-1	13.8	14.0	14.9	14.9	15.0

Source: Company, BOBCAPS Research | Note: Stock split in 1:5 ratio (Record Date 15 May 2024)

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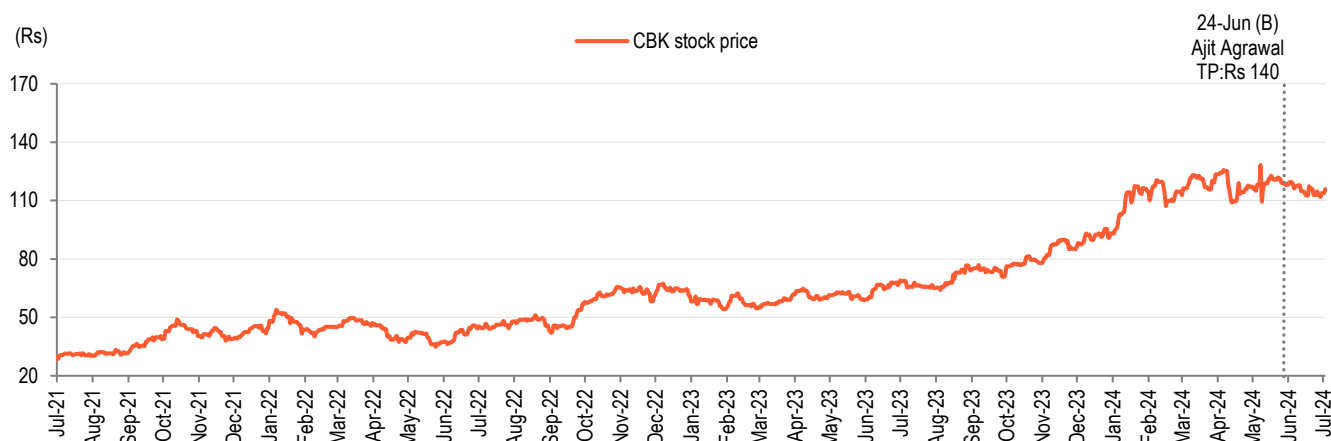
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