

BUY

TP: Rs 175 | ▲ 16%

CANARA BANK

| Banking

| 30 January 2026

Asset quality improving with healthy business growth

- PAT largely aided by Other income & lower provisions; advances growth largely led by RAM segment
- AQ improved, largely aided by lower slippages; technical w/off pool of ~Rs 660bn and expects recovery of >Rs 20bn per quarter
- Maintain BUY with revised TP of Rs 175 (from Rs 159), set at 1.1x Dec'27E ABV (1.0x earlier)

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PAT largely aided by other income: CBK reported PAT of Rs 51.6bn (+26% YoY) in Q3FY26 and was 2.8% above our estimates. This was largely aided by a significant rise in other income to Rs 79bn (+36% YoY) that was 5.8% above estimates and lower provisions of Rs 24.1bn (+0.7% YoY) that was 4.8% lower than estimates. Other income was mainly supported by treasury income of Rs 30.6bn (+149% YoY). This was supported by listing net gain of Rs 19.3bn from its subsidiaries in Q3FY26. However, NII was flat at Rs 92.5bn (+1% YoY). NIMs declined to 2.45% (-26bps YoY; -5bps QoQ), as the bank passed on 25bps repo cut in Dec'25, given that 49% of its loans are repo linked. The bank guided NIMs of 2.45-2.5% in FY26 vs the earlier guidance of 2.75-2.8%. CBK reported ROAA/ROE of 1.1%/20.6% in 9MFY26 vs its guidance of 1.05%/18.5% in FY26.

AQ improved, largely on lower slippages: AQ improved with GNPA ratio falling to 2.08% (-27bps QoQ), mainly aided by the decline in slippages to Rs 19bn (-10% QoQ) or slippage ratio of 0.66% (-10bps QoQ). Slippage was mainly from agri (Rs 7.9bn), MSME (Rs 7.4bn), and retail (Rs 2.9bn). CBK has technical w/off pool of ~Rs 660bn and expects recovery of >Rs 20bn per quarter. Management stated that ECL impact will be ~Rs 100bn over 4 years, which will be easily absorbed by PAT. CBK is yet to provide for ECL, though PCR remains high at 94.2%.

Healthy advances growth largely led by RAM book: Gross advances grew by 13.6% YoY, largely driven by Retail, Agri and MSME (RAM) segments, which was up by 18.7% YoY while corporate was up 6.9% YoY. RAM growth was mainly aided by retail credit (+31.4% YoY). As a result, share of RAM credit increased to 59% (Dec'25) vs 56.5% (Dec'24). While the bank initially guided for loan growth of 10%-11% YoY for FY26 but expect the current growth of 13.6% YoY to be maintained.

Maintain BUY: Considering the bank's performance vs its guidance, along with improving AQ, we believe the bank has levers to perform well. We expect the bank to report RoA/RoE of 1-1.1%/16.5-17.8% in FY26-FY28E. We maintain BUY and roll over valuation to 1.1x Dec'27E ABV with revised TP of Rs 175 (from Rs 159).

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	CBK IN/Rs 150
Market cap	US\$ 14.8bn
Free float	42%
3M ADV	US\$ 46.6mn
52wk high/low	Rs 161/Rs 79
Promoter/FPI/DII	63%/15%/10%

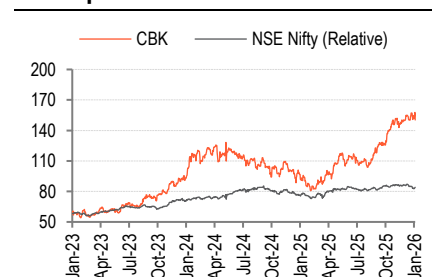
Source: NSE | Price as of 29 Jan 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	3,70,720	3,77,968	4,54,964
NII growth (%)	1.4	2.0	20.4
Adj. net profit (Rs mn)	1,70,267	1,91,174	2,04,932
EPS (Rs)	18.8	21.1	22.6
Consensus EPS (Rs)	18.8	20.7	21.3
P/E (x)	8.0	7.1	6.7
P/BV (x)	1.4	1.2	1.0
ROA (%)	1.1	1.1	1.0
ROE (%)	18.2	17.8	16.6

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly snapshot: Income statement

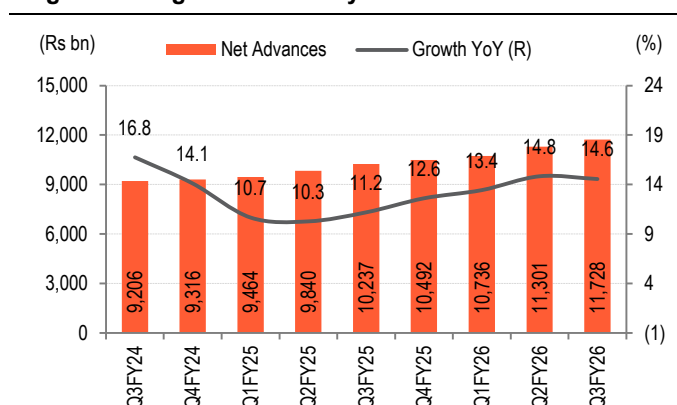
(Rs mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Income Statement							
Interest Income	2,24,456	2,28,077	2,26,183	2,30,811	2,35,969	5.1	2.2
Income on investments	61,863	62,719	61,932	63,069	63,032	1.9	(0.1)
Int. on bal. with RBI & inter-bank funds & Others	16,797	19,224	21,913	21,560	20,815	23.9	(3.5)
Interest income	3,03,116	3,10,020	3,10,028	3,15,439	3,19,816	5.5	1.4
Interest expense	2,11,630	2,15,601	2,19,941	2,24,027	2,27,293	7.4	1.5
Net interest income	91,486	94,419	90,088	91,412	92,523	1.1	1.2
Growth YoY (%)	(2.9)	(1.4)	(1.7)	(1.9)	1.1		
Fee Income	21,850	23,350	22,230	25,860	23,270	6.5	(10.0)
Trading gains/(losses)	9,450	7,110	16,170	12,170	25,900	174.1	112.8
Forex Income	2,280	2,760	3,760	3,270	4,140	81.6	26.6
Others	24,442	30,288	28,445	29,238	25,684	5.1	(12.2)
Non-interest income	58,022	63,508	70,605	70,538	78,994	36.1	12.0
Growth YoY (%)	35.1	21.7	32.7	41.6	36.1		
Total income	1,49,508	1,57,927	1,60,692	1,61,950	1,71,517	14.7	5.9
Growth YoY (%)	9.0	6.7	10.9	13.3	14.7		
Staff expenses	44,805	47,828	47,955	48,223	49,046	9.5	1.7
Other operating expenses	26,336	27,262	27,201	27,847	31,276	18.8	12.3
Operating expenses	71,141	75,090	75,157	76,069	80,322	12.9	5.6
Pre-Provisioning Profit (PPoP)	78,367	82,837	85,536	85,881	91,195	16.4	6.2
Growth YoY (%)	15.2	12.1	12.3	12.2	16.4		
Provisions	23,983	18,317	23,516	23,542	24,144	0.7	2.6
Growth YoY (%)	26.3	(26.2)	3.0	4.6	0.7		
PBT	54,384	64,520	62,020	62,340	67,051	23.3	7.6
Tax	13,342	14,493	14,500	14,600	15,500	16.2	6.2
PAT	41,042	50,027	47,520	47,740	51,551	25.6	8.0
Growth YoY (%)	12.3	33.1	21.7	18.9	25.6		
Per Share							
FV (Rs)	2	2	2	2	2		
EPS (Rs)	4.5	5.5	5.2	5.3	5.7	25.7	8.0
Book Value (Rs)	108	110	115	119	125	15.3	4.6

Source: BOBCAPS Research, Company

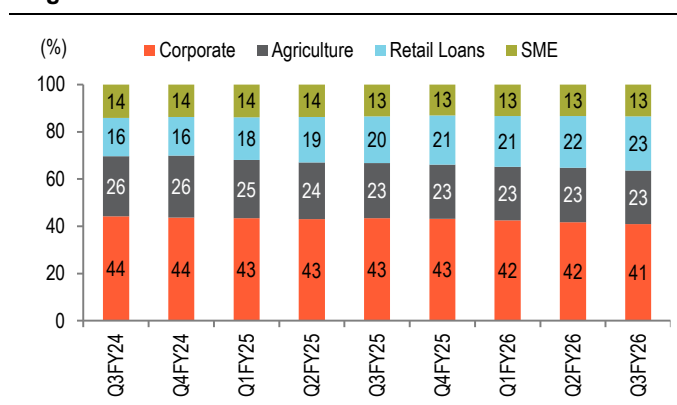
Fig 2 – Quarterly snapshot: Key balance sheet & other metrics

(Rs mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Deposits	1,34,69,037	1,42,98,622	1,44,38,140	1,50,02,810	1,52,12,683	12.9	1.4
Growth YoY (%)	6.6	9.0	8.1	11.4	12.9		
Advances	1,02,37,269	1,04,91,550	1,07,35,762	1,13,01,139	1,17,28,157	14.6	3.8
Growth YoY (%)	11.2	12.6	13.4	14.8	14.6		
Investment	37,93,721	38,03,434	39,73,234	39,46,109	39,47,364	4.0	0.0
Equity	9,82,219	9,99,001	10,44,548	10,82,908	11,32,392	15.3	4.6
Assets	1,59,26,483	1,68,28,496	1,72,76,334	1,76,48,849	1,82,23,568	14.4	3.3
Growth YoY (%)	8.4	12.8	12.8	12.0	14.4		
Yield (%)							
Yield on Funds	7.9	7.8	7.5	7.4	7.3	(58bps)	(10bps)
Cost of Funds	5.8	5.7	5.6	5.6	5.5	(30bps)	(6bps)
Spread	2.1	2.1	1.9	1.9	1.8	(28bps)	(4bps)
Net Interest Margin	2.7	2.7	2.6	2.5	2.5	(26bps)	(5bps)
Ratios (%)							
Other Income / Net Income	38.8	40.2	43.9	43.6	46.1	725bps	250bps
Cost to Income ratio	47.6	47.5	46.8	47.0	46.8	(75bps)	(14bps)
CASA ratio	28.0	29.0	27.4	28.5	27.1	(90bps)	(143bps)
C/D ratio	76.0	73.4	74.4	75.3	77.1	109bps	177bps
Investment to Assets	23.8	22.6	23.0	22.4	21.7	(216bps)	(70bps)
Asset Quality							
GNPA	3,50,606	3,15,300	2,95,184	2,70,403	2,48,326	(29.2)	(8.2)
NNPA	90,811	73,530	67,652	61,132	53,223	(41.4)	(12.9)
Provision	2,59,795	2,41,770	2,27,532	2,09,271	1,95,103	(24.9)	(6.8)
GNPA (%)	3.3	2.9	2.7	2.4	2.1	(126bps)	(27bps)
NNPA (%)	0.9	0.7	0.6	0.5	0.5	(44bps)	(9bps)
Provision (%)	74.1	76.7	77.1	77.4	78.6	447bps	118bps
Others (nos)							
Branches	9,820	9,849	9,865	9,952	10,070	97	430
ATMs	9,715	11,954	7,907	7,405	7,048	(2,432)	(3,148)

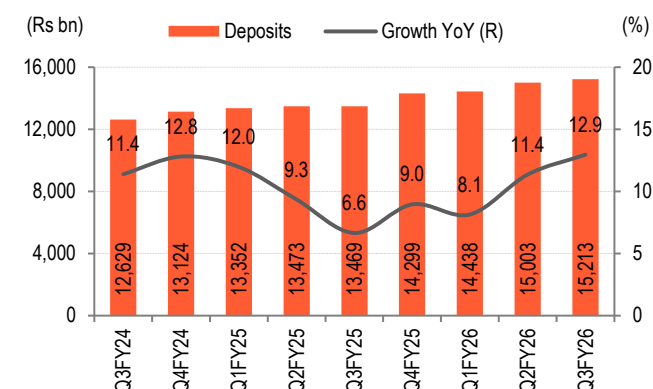
Source: BOBCAPS Research, Company

Fig 3 – Loan growth above system levels

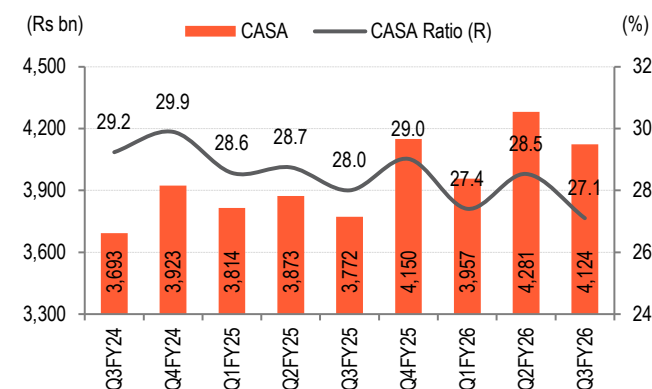
Source: Company, BOBCAPS Research

Fig 4 – Loan mix – RAM consisted 59% of total loans

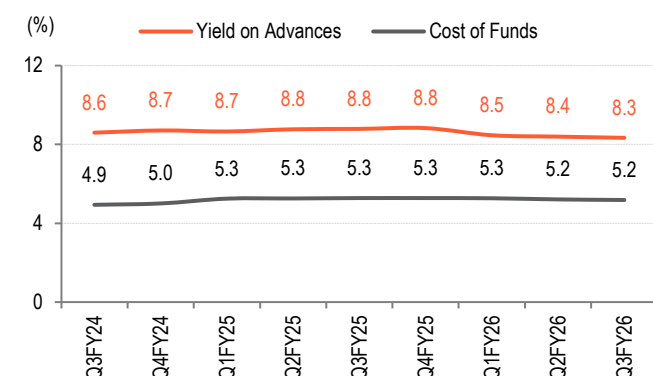
Source: Company, BOBCAPS Research

Fig 5 – Deposits grew 13% YoY, led by higher term deposits

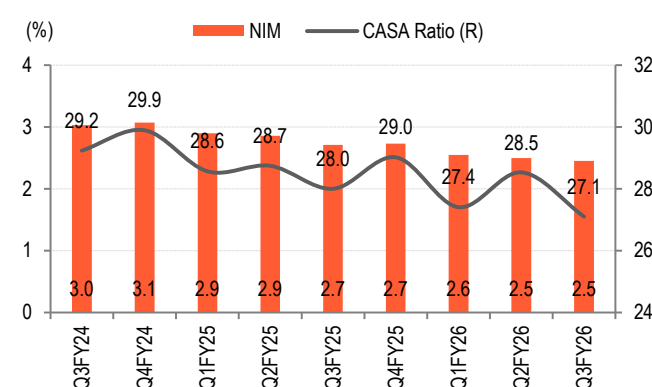
Source: Company, BOBCAPS Research

Fig 6 – CASA ratio moderated QoQ

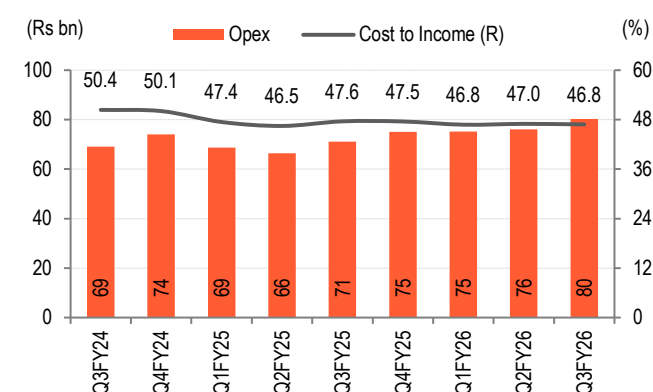
Source: Company, BOBCAPS Research

Fig 7 – Yields declined due to rate cuts...

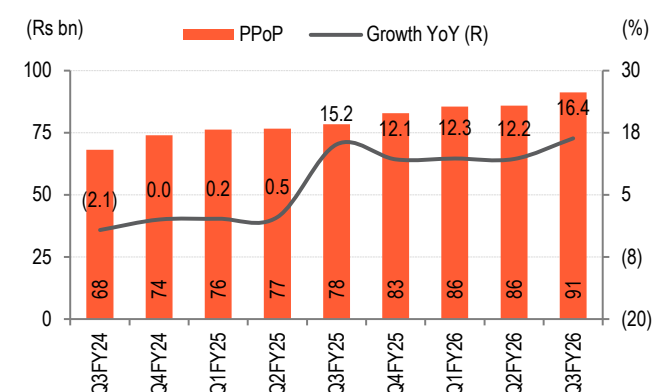
Source: Company, BOBCAPS Research

Fig 8 – ...resulting in pressure on NIMs

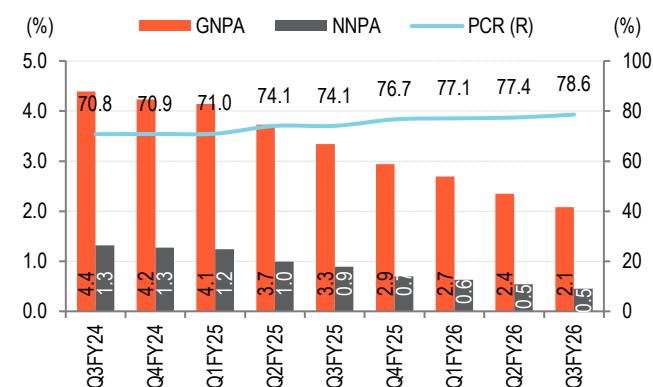
Source: Company, BOBCAPS Research

Fig 9 – C/I ratio improves

Source: Company, BOBCAPS Research

Fig 10 – PPOP growth of 16% YoY, mainly aided by non-interest income

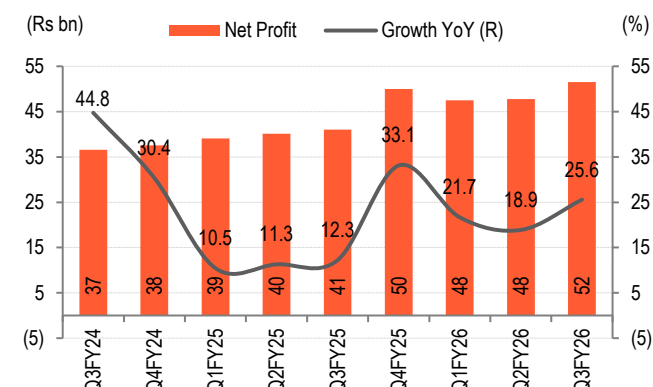
Source: Company, BOBCAPS Research

Fig 11 – Asset quality continues to improve

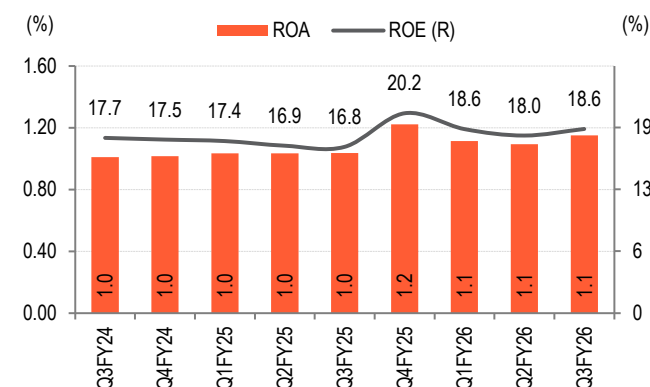
Source: Company, BOBCAPS Research

Fig 12 – Credit cost improved on QoQ basis

Source: Company, BOBCAPS Research

Fig 13 – PAT growth aided by other income

Source: Company, BOBCAPS Research

Fig 14 – Return ratios remain healthy

Source: Company, BOBCAPS Research

Fig 15 – Loan book trend

(Rs mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Retail Loans	20,81,160	22,33,660	23,54,180	25,11,900	27,33,950	31.4	8.8
- Housing Loans	10,30,530	10,61,670	10,94,900	11,46,150	12,11,720	17.6	5.7
- Vehicle Loans	1,98,880	2,06,370	2,16,200	2,33,670	2,50,980	26.2	7.4
- Other retail	8,51,750	9,65,620	10,43,080	11,32,080	12,71,250	49.3	12.3
Agriculture	24,37,870	24,69,040	24,88,360	26,61,740	27,00,100	10.8	1.4
SME	14,12,340	13,98,570	14,66,460	15,37,770	16,06,360	13.7	4.5
RAM	59,31,370	61,01,270	63,09,000	67,11,410	70,40,410	18.7	4.9
Corporate	45,65,690	46,32,050	46,54,290	47,99,000	48,82,850	6.9	1.7
Domestic Gross Advances	98,75,910	1,00,86,710	1,03,21,420	1,08,14,280	1,11,92,890	13.3	3.5
Overseas Gross Loan	6,21,150	6,46,610	6,41,870	6,96,130	7,30,370	17.6	4.9
Total Gross Loan	1,04,97,060	1,07,33,320	1,09,63,290	1,15,10,410	1,19,23,260	13.6	3.6

Source: Company, BOBCAPS Research

Fig 16 – Loan book distribution

(%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Retail Loans	19.8	20.8	21.5	21.8	22.9	310bps	111bps
- Housing Loans	9.8	9.9	10.0	10.0	10.2	35bps	21bps
- Vehicle Loans	1.9	1.9	2.0	2.0	2.1	21bps	7bps
- Other retail	8.1	9.0	9.5	9.8	10.7	255bps	83bps
Agriculture	23.2	23.0	22.7	23.1	22.6	(58bps)	(48bps)
SME	13.5	13.0	13.4	13.4	13.5	2bps	11bps
RAM	56.5	56.8	57.5	58.3	59.0	254bps	74bps
Corporate	43.5	43.2	42.5	41.7	41.0	(254bps)	(74bps)
Domestic advances	94.1	94.0	94.1	94.0	93.9	(21bps)	(8bps)
Overseas Loan	5.9	6.0	5.9	6.0	6.1	21bps	8bps
Total Gross Loan	100.0	100.0	100.0	100.0	100.0		

Source: Company, BOBCAPS Research

Fig 17 – Deposits trend

(Rs mn)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
CASA Deposits	37,72,070	41,49,760	39,57,410	42,81,150	41,23,590	9.3	(3.7)
Term Deposits	96,96,967	1,01,48,862	1,04,80,730	1,07,21,660	1,10,89,093	14.4	3.4
Domestic Deposits	1,25,74,260	1,33,11,370	1,33,87,420	1,39,49,990	1,39,70,450	11.1	0.1
Overseas Deposits	8,94,777	9,87,252	10,50,720	10,52,820	12,42,233	38.8	18.0
Total Deposits	1,34,69,037	1,42,98,622	1,44,38,140	1,50,02,810	1,52,12,683	12.9	1.4

Source: Company, BOBCAPS Research

Fig 18 – Deposits distribution

(%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY	QoQ
Domestic CASA Deposits	30.0	31.2	29.6	30.7	29.5	(48bps)	(117bps)
CASA Deposits	28.0	29.0	27.4	28.5	27.1	(90bps)	(143bps)
Term Deposits	72.0	71.0	72.6	71.5	72.9	90bps	143bps
Domestic Deposits	93.4	93.1	92.7	93.0	91.8	(152bps)	(115bps)
Overseas Deposits	6.6	6.9	7.3	7.0	8.2	152bps	115bps
Total Deposits	100.0	100.0	100.0	100.0	100.0		

Source: Company, BOBCAPS Research

Earnings Call Highlights

FY26 Guidance and Performance Update

- Management guided for 13 parameters for FY26. Canara bank achieved 11 of these parameters, barring CASA & NIMs, which remain a challenge for the Banking industry. NIMs and CASA (Domestic CASA to Domestic Deposit) were 2.5%/29.52% in Q3FY26 vs management guidance of 2.75-2.8%/ 32%.
- Management guided for FY26 business growth of 10.5%, with Q3FY26 already achieving 13.23%.
- Management guided for loan/deposit growth of 10-11%/ 9-10% for FY26. In Q3FY26, advances and deposits growth came in at 13.59% YoY and 12.95% YoY, respectively.
- Management achieved GNPA/NNPA target of 2.5%/0.6% and PCR of 93%. GNPA/NNPA stood at 2.08%/0.45%, while PCR stood at 94.2%. Also restricted its slippages to 0.64% vs guidance of 0.9% for FY26.

Asset quality

- Asset quality continued to improve with GNPA at 2.08% (down 126bps YoY and 27bps QoQ). NNPA ratio stood at 0.45% (down 44bps YoY and 9bps QoQ) in Q3FY26.
- Credit cost improved and was 64 bps vs 68bps in Q2FY26. Management guided for credit cost of 90bps for FY26 and does not anticipate the new ECL guidelines to have a major impact on credit costs.
- Fresh slippages were Rs 18.6bn vs Rs 20.3bn in Q2FY26 with ~Rs 7.9bn from agri, Rs 7.4bn from MSME and ~ Rs 2.9bn from retail segment, while no corporate accounts slipped during the period.
- Slippage ratio stood at 0.64% vs guidance of 0.9%.
- As a precautionary measure, management stated that additional provisions are being maintained on select accounts that have not yet slipped, reflecting a conservative risk stance.

Profitability

- CBK reported the highest-ever quarterly net profit of Rs 51.6bn, supported by strong operating performance and controlled credit costs.
- RoA improved to 1.13% and RoE to 20.55%, both exceeding internal guidance levels, reflecting sustained profitability improvement.
- Other income was supported by listing net gain of Rs 19.3bn from its subsidiaries wherein the bank sold 14.5% stake in Canara HSBC Life Insurance Ltd and 13% stake in Canara Robeco AMC Ltd in Q3FY26.
- Management explained that operating expenses rose to Rs 80.3bn due to one-time items, including IPO-related charges and additional depreciation linked to employee benefit enhancements.

- Management stated that the bank continues to invest around Rs 10bn annually in digital initiatives to support RAM-led growth and analytics-driven business generation.
- Management reiterated that recoveries from written-off accounts continue at a run rate of over Rs 20bn per quarter, directly supporting bottom-line growth.
- Quarterly NIMs were at 2.45%, down by 26bps YoY and 5bps QoQ. Impacted by the immediate transmission of repo rate cuts on repo-linked loans (49% repo linked loans in Q3FY26), while deposit repricing continues to lag.
- NIM is expected to stabilise in the 2.45%–2.50% range in the near term, even if rates soften further.
- Total income was up 15% YoY & 6% QoQ, aided by other income that grew by 36% YoY and 12% QoQ.

Advances and Deposits

- Domestic advances grew by 13.3% YoY. RAM grew 18% YoY. Within RAM, retail credit increased 31.4%, agriculture & allied up 10.8% YoY and MSME up by 13.7% YoY.
- While the bank initially gave a guidance of 10% to 11% for the full year, it is currently exceeding this and expects to maintain the momentum.
- Management clarified that retail loan growth is entirely organic, with no portfolio buyouts or inorganic additions during the period.
- While gold loans remain a high-growth product, management has consciously recalibrated offerings in metro and urban markets in response to RBI observations, highlighting regulatory sensitivity without compromising overall momentum.
- MSME segment grew 13.7% YoY in Q3FY26), supported by a yield-focused strategy, with portfolio yields at 9.28%.
- CASA deposits saw moderation in Q3FY26 where it grew 9.3% YoY but declined 3.7% QoQ, due to sharp fall in CA deposits 28% QoQ, management attributed this to a single large transaction of Rs 260bn in the previous quarter that normalized this term.
- CASA ratio moderated to 27% vs 28% in Q2FY26. Management reiterated its focus on improving the domestic CASA ratio toward 32%, supported by stable savings growth and digital-led engagement.
- Overseas deposits rose sharply to Rs 1,242 bn (+39% YoY; +18% QoQ) which management attributed to improved traction in international branches and better utilisation of global trade flows.
- Management stated that, following an RBI observation, certain balances from overseas branches that were earlier classified as deposits have now been reclassified as borrowings.

Network

- The bank has 10,070 branches, of which 3,195 are rural, 3,007 semi urban, 1,980 urban and 1,884 metro, along with 7,048 ATMs.
- The bank also has 4 overseas branches in London, New York, Dubai and IBU Gift City.

Valuation Methodology

Considering the bank's performance vs its guidance, along with improving AQ, we believe that Canara Bank has levers to perform well. We expect CBK to report RoA/RoE of 1-1.1%/16.5-17.8% in FY26-FY28E. The bank is currently trading at 1YF P/ABV of 1.1x. We maintain BUY and roll over valuation to 1.1x Dec'27E ABV (1.0x earlier) with revised TP of Rs 175 (from Rs 159).

Fig 19 – Actuals vs BOBCAPS estimates

(Rs mn)	Q3FY26A	Q3FY26E	Actual vs. Estimates
Loan	1,17,28,157	1,15,83,469	1.2
Deposits	1,52,12,683	1,54,74,951	(1.7)
Assets	1,82,23,568	1,81,29,994	0.5
NII	92,523	95,531	(3.1)
PPOP	91,195	92,410	(1.3)
Provision	24,144	25,373	(4.8)
PAT	51,551	50,143	2.8

Source: Company, BOBCAPS Research

Fig 20 – Revised estimates

Key Parameters (Rs mn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Loan	1,20,02,333	1,35,62,637	1,52,98,654	1,18,23,977	1,33,37,446	1,50,71,314	1.5	1.7	1.5
Deposits	1,56,99,887	1,73,64,075	1,92,74,123	1,60,98,559	1,78,05,006	1,97,27,947	(2.5)	(2.5)	(2.3)
Assets	1,91,03,316	2,11,85,781	2,35,16,038	1,88,40,142	2,10,35,611	2,36,22,185	1.4	0.7	(0.4)
NII	3,77,968	4,54,964	5,27,509	3,97,068	4,69,124	5,62,795	(4.8)	(3.0)	(6.3)
PPOP	3,52,899	3,81,582	4,32,420	3,64,472	4,13,399	4,70,302	(3.2)	(7.7)	(8.1)
Provision	95,599	1,05,765	1,18,331	94,841	1,19,517	1,40,623	0.8	(11.5)	(15.9)
PAT	1,91,174	2,04,932	2,33,368	2,00,336	2,18,354	2,44,951	(4.6)	(6.1)	(4.7)
ABV (Rs)	121	139	161	120	139	161	1.2	0.2	(0.3)

Source: Company, BOBCAPS Research

Fig 21 – Key operational assumptions

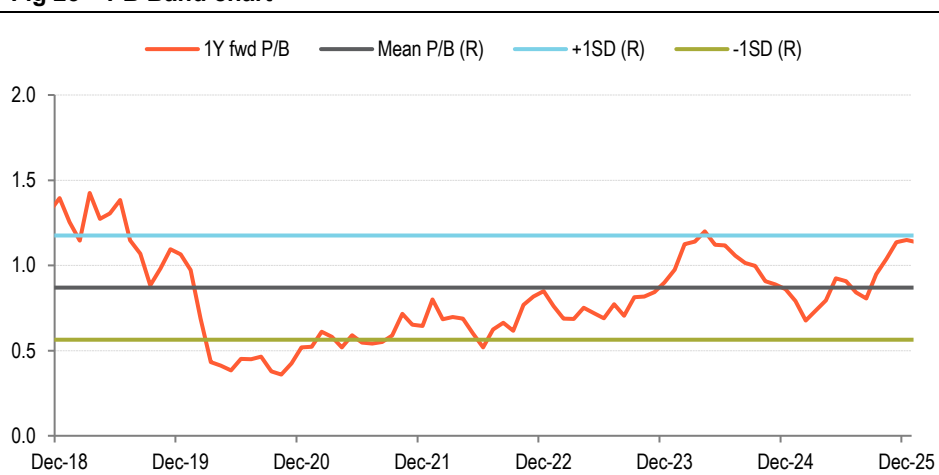
(%)	FY25	FY26E	FY27E	FY28E
Advances Growth	12.6	14.4	13.0	12.8
Net Interest Income Growth	1.4	2.0	20.4	15.9
PPoP Growth	6.7	12.4	8.1	13.3
PAT Growth	17.0	12.3	7.2	13.9
NIM	2.8	2.5	2.6	2.8
GNPA	2.9	2.0	1.9	1.7
CAR	16.3	16.8	17.2	17.4

Source: Company, BOBCAPS Research

Fig 22 – Valuation assumptions

Gordon Growth Model	(%)
Return on Equity (RoE)	14.7
Cost of Equity (Ke)	14.7
Growth (Period 1)	13.3
Growth (Long Term)	5.2
Initial High Growth Period (years)	10.0
Dividend Payout (Period 1)	10.0
Dividend Payout (Long Term)	65.0
Factor 1	0.9
Factor 2	6.4
Justified P/BV (x)	1.1

Source: BOBCAPS Research

Fig 23 – PB Band chart

Source: Company, BOBCAPS Research

Key risks

Key downside risks to our estimates:

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

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	3,65,659	3,70,720	3,77,968	4,54,964	5,27,509
NII growth (%)	16.3	1.4	2.0	20.4	15.9
Non-interest income	1,89,664	2,24,528	2,84,926	2,67,922	2,77,151
Total income	5,55,324	5,95,248	6,62,893	7,22,887	8,04,660
Operating expenses	2,61,198	2,81,345	3,09,994	3,41,305	3,72,240
PPOP	2,94,126	3,13,903	3,52,899	3,81,582	4,32,420
PPOP growth (%)	6.1	6.7	12.4	8.1	13.3
Provisions	97,076	87,636	95,599	1,05,765	1,18,331
PBT	1,97,050	2,26,267	2,57,300	2,75,817	3,14,089
Tax	51,507	56,000	66,126	70,885	80,721
Reported net profit	1,45,543	1,70,267	1,91,174	2,04,932	2,33,368
Adjustments	0	0	0	0	0
Adjusted net profit	1,45,543	1,70,267	1,91,174	2,04,932	2,33,368

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity capital	18,141	18,141	18,141	18,141	18,141
Reserves & surplus	8,51,405	9,80,860	11,34,123	13,00,229	14,93,457
Net worth	8,69,546	9,99,001	11,52,264	13,18,370	15,11,599
Deposits	1,31,23,666	1,42,98,622	1,56,99,887	1,73,64,075	1,92,74,123
Borrowings	5,75,923	11,66,861	15,01,456	17,26,674	19,85,676
Other liab. & provisions	3,46,272	3,64,012	7,49,709	7,76,662	7,44,641
Total liab. & equities	1,49,15,407	1,68,28,496	1,91,03,316	2,11,85,781	2,35,16,038
Cash & bank balance	15,07,597	20,53,402	25,02,505	27,44,309	30,04,332
Investments	35,74,544	38,03,434	40,83,353	43,27,852	46,01,890
Advances	93,16,128	1,04,91,550	1,20,02,333	1,35,62,637	1,52,98,654
Fixed & Other assets	5,17,137	4,80,110	5,15,124	5,50,983	6,11,161
Total assets	1,49,15,407	1,68,28,496	1,91,03,316	2,11,85,781	2,35,16,038
Deposit growth (%)	11.3	9.0	9.8	10.6	11.0
Advances growth (%)	12.2	12.6	14.4	13.0	12.8

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	3.2	18.8	21.1	22.6	25.7
Dividend per share	0.6	4.0	4.2	4.3	4.4
Book value per share	19.2	110.1	127.0	145.3	166.6

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	46.8	8.0	7.1	6.7	5.8
P/BV	7.8	1.4	1.2	1.0	0.9
Dividend yield (%)	0.4	2.7	2.8	2.8	2.9

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	2.6	2.3	2.1	2.3	2.4
Non-interest income	1.3	1.4	1.6	1.3	1.2
Operating expenses	1.8	1.8	1.7	1.7	1.7
Pre-provisioning profit	2.1	2.0	2.0	1.9	1.9
Provisions	0.7	0.6	0.5	0.5	0.5
PBT	1.4	1.4	1.4	1.4	1.4
Tax	0.4	0.4	0.4	0.4	0.4
ROA	1.0	1.1	1.1	1.0	1.0
Leverage (x)	17.7	17.0	16.7	16.3	15.8
ROE	18.1	18.2	17.8	16.6	16.5

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Net interest income	16.3	1.4	2.0	20.4	15.9
Pre-provisioning profit	6.1	6.7	12.4	8.1	13.3
EPS	37.3	484.9	12.3	7.2	13.9
Profitability & Return ratios (%)					
Net interest margin	3.1	2.8	2.5	2.6	2.8
Fees / Avg. assets	0.0	0.0	0.0	0.0	0.0
Cost-Income	47.0	47.3	46.8	47.2	46.3
ROE	18.1	18.2	17.8	16.6	16.5
ROA	1.0	1.1	1.1	1.0	1.0
Asset quality (%)					
GNPA	4.2	2.9	2.0	1.9	1.7
NNPA	1.3	0.7	0.4	0.4	0.4
Slippage ratio	1.3	0.9	0.7	0.7	0.7
Credit cost	1.1	0.9	0.9	0.8	0.8
Provision coverage	69.6	75.9	78.3	78.5	78.7
Ratios (%)					
Credit-Deposit	71.0	73.4	76.4	78.1	79.4
Investment-Deposit	27.2	26.6	26.0	24.9	23.9
CAR	16.3	16.3	16.8	17.2	17.4
Tier-1	14.0	14.4	14.8	15.0	15.2

Source: Company, BOBCAPS Research

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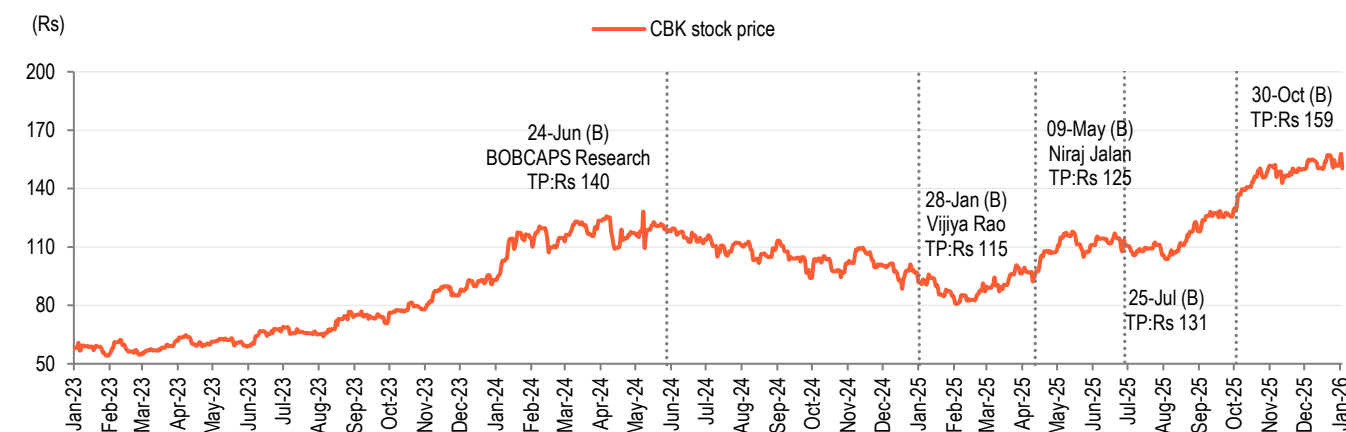
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Note: Recommendation structure changed with effect from 21 June 2021

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