Canara Bank

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	CBK IN
Equity Shares (m)	9071
M.Cap.(INRb)/(USDb)	1154.3 / 12
52-Week Range (INR)	163 / 104
1, 6, 12 Rel. Per (%)	-1/-13/18
12M Avg Val (INR M)	3823

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	372.1	434.8	505.1
OP	330.2	341.5	398.7
NP	191.9	200.6	230.6
NIM (%)	2.1	2.2	2.3
EPS (INR)	21.2	22.1	25.4
EPS Gr. (%)	12.7	4.5	15.0
BV/Sh. (INR)	121	132	142
ABV/Sh. (INR)	116	127	136
RoA (%)	1.1	1.0	1.0
RoE (%)	19.1	17.9	19.0
Valuations			
P/E (x)	6.0	5.7	5.0
P/BV (x)	1.0	1.0	0.9
P/ABV (x)	1.1	1.0	0.9

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	62.9	62.9	62.9
DII	11.9	10.9	11.4
FII	12.7	14.2	11.4
Others	12.5	11.9	14.3

CMP: INR127 TP: INR160 (+26%) Buy

Steady quarter; maintains 1% RoA guidance

Higher other income offset by higher provisioning

- Canara Bank (CBK) posted 1QFY27 standalone PAT of INR48.6b (up 2% YoY/ 8% QoQ, 10% beat on MOFSLe), led by strong traction in other income, partly offset by higher-than-expected provisions.
- NII grew 13% YoY/4% QoQ to INR102.2b (broadly in line). Its margin declined by 2bp QoQ to 2.52% vs. our est. of 2.57%. The bank has maintained its NIM guidance of 2.5-2.6% for FY27.
- The loan book grew 19% YoY/5% QoQ to INR12.77t. The bank continues to maintain its loan growth guidance of 11-12%. Deposits grew 11.6% YoY/ 2.7% QoQ to INR16.12t.
- Slippages declined to INR18b (INR28b in 4QFY26) as asset quality improved across segments. GNPA/NNPA ratios improved 27bp/7bp QoQ to 1.57%/ 0.36%. PCR stood at 77.1%. CBK will make additional provisions of INR100-120b for ECL transition, which will have an impact of 1.20-1.25% on CRAR.
- **We marginally tweak our estimates for FY27E/28E and expect CBK to deliver FY27E RoA/RoE of 1.01%/17.9%. Reiterate BUY with a TP of INR160 (based on 1.1x Mar'28E ABV+ INR13 for subs).**

Business growth steady; asset quality ratios improve

- 1Q PAT rose 2% YoY/8% QoQ to INR48.6b (10% above MOFSLe), aided by strong traction in other income, partly offset by higher-than-expected provisions.
- NII grew 13% YoY/4% QoQ to INR102.2b (broadly in line). Margin fell 2bp QoQ to 2.52% (est. 2.57%). CBK retains FY27 NIM guidance at 2.5-2.6%.
- Other income improved 39% QoQ/fell 5% QoQ to INR67.3b (24% above MOFSLe) on the back of strong PSLC and treasury income. Total revenue thus rose 16% YoY/5% QoQ (9% beat).
- Operating expenses increased by 5% QoQ (up 11% YoY) to INR83.1b (4% higher than MOFSLe) owing to INR3b of PLI bonus in opex. C/I ratio decreased to 49.0% (vs. 53.8% in 4QFY26). PPoP thus rose 1% YoY/28% QoQ to INR67.6b (14% beat).
- The loan book grew 19% YoY/4.7% QoQ, led by robust growth in the retail (33% YoY/7.7% QoQ) and MSME segments (15.1% YoY/6.9% QoQ). The gold loan book stood at INR2.59t, in which agri. gold loan stood at INR1.5t.
- Deposits grew 11.6% YoY/2.7% QoQ to INR16.12t. CASA deposits grew 10.6% YoY/2.1% QoQ. The CASA ratio stood at 29.7%, while the CD ratio increased to 79.3% (vs. 77.8% in 4QFY26).
- Provisions came in at INR20.8b (13% higher vs. MOFSLe), up 110% QoQ and down 12% YoY. Slippages declined to INR18b (INR28b in 4QFY26), with asset quality improving across segments. GNPA/NNPA ratios improved 27bp/7bp QoQ to 1.57%/0.36%. PCR stood at 77.1%.
- Reported credit costs declined to 0.49% from 0.59% in 4QFY26. SMA book (INR50m and above) increased to 0.58% from 0.46% in 4QFY26.

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Highlights from the management commentary

- INR180b of advances eligible in the ECLGS scheme, against which sanction of INR110b is made and INR100b is already disbursed.
- Aims to mobilize USD2.3-2.5b in FCNR(B) deposits + OFCBs + ECBs. Endeavors to cross USD1b in July month, with USD775m already raised.
- The bank shall be making additional provisions of INR100-120b for ECL transition, having an impact of 1.20-1.25% on CRAR.
- Priority shall be on efficiency over growth, but shall try to strike a balance between the two.

Valuation and view- Maintain BUY with a TP of INR160

CBK reported a steady quarter with stable margins and strong other income, offset by higher provisioning even as asset quality improved. NIMs are expected to be range-bound at 2.5-2.6% for FY27. Loan growth was healthy, driven by retail and MSME loans. Deposit growth lags credit growth, while focus remains on improving the granularity of deposits under the new MD. CBK maintains its loan growth guidance of 11-12%. Asset quality for the bank improved, with lower slippages and NPAs across asset classes. The bank shall be making additional provisions of INR100-120b for ECL transition, which shall have an impact of 1.20-1.25% on CRAR. The bank maintains its RoA guidance of 1%. **We marginally tweak our estimates for FY27/28 and expect CBK to deliver FY27E RoA/RoE of 1.01%/17.9%. Reiterate BUY with a TP of INR160 (based on 1.1x Mar'28E ABV+ INR13 for subs).**

Quarterly Performance (INR b)

	FY26				FY27E				FY26	FY27E	FY27E	V/S our
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	
Net Interest Income	**90.1**	**91.4**	**92.5**	**98.1**	**102.2**	**106.1**	**110.7**	**115.9**	**372.1**	**434.8**	**101.8**	**0.3%**
% Change (Y-o-Y)	-1.7	-1.9	1.1	3.9	13.4	16.1	19.6	18.2	0.4	16.9	13.0	
Other Income	70.6	70.5	79.0	48.2	67.3	57.9	59.5	51.5	268.4	236.2	54.3	23.8%
Total Income	**160.7**	**162.0**	**171.5**	**146.3**	**169.4**	**164.0**	**170.2**	**167.4**	**640.5**	**671.0**	**156.1**	**8.5%**
Operating Expenses	75.2	76.1	80.3	78.7	83.1	81.4	82.4	82.7	310.3	329.6	80.1	3.7%
Operating Profit	**85.5**	**85.9**	**91.2**	**67.6**	**86.4**	**82.6**	**87.8**	**84.7**	**330.2**	**341.5**	**76.1**	**13.5%**
% Change (Y-o-Y)	12.3	12.2	16.4	-18.4	1.0	-3.9	-3.7	25.4	5.2	3.4	-11.1	
Other Provisions	23.5	23.5	24.1	9.9	20.8	19.1	19.3	20.0	81.1	79.3	18.4	13.0%
Profit before Tax	**62.0**	**62.3**	**67.1**	**57.7**	**65.6**	**63.5**	**68.4**	**64.7**	**249.1**	**262.2**	57.6	13.7%
Tax	14.5	14.6	15.5	12.6	17.0	14.9	15.9	13.8	57.2	61.6	**13.5**	**26.0%**
Net Profit	**47.5**	**47.7**	**51.6**	**45.1**	**48.6**	**48.5**	**52.6**	**50.9**	**191.9**	**200.6**	44.2	10.0%
% Change (Y-o-Y)	21.7	18.9	25.6	-9.9	2.2	1.7	2.0	12.9	12.7	4.5	**-7**	
Operating Parameters												
Deposit (INR b)	14,438	15,003	15,213	15,687	16,117	16,534	17,004	17,569	15,687	17,569	16,044.4	
Loan (INR b)	10,736	11,301	11,728	12,200	12,777	12,925	13,327	13,811	12,200	13,811	12,512	
Deposit Growth (%)	8.1	11.4	12.9	7.7	11.6	10.2	11.8	12.0	9.7	12.0	9	
Loan Growth (%)	13.4	14.8	14.6	16.3	19.0	14.4	13.6	13.2	16.3	13.2	16.5	
Asset Quality												
Gross NPA (%)	2.7	2.5	2.1	1.8	1.6	1.5	1.5	1.5	1.8	1.5	1.8	
Net NPA (%)	0.6	0.6	0.5	0.4	0.4	0.4	0.3	0.3	0.4	0.3	0.4	
PCR (%)	77.1	77.4	78.6	77.1	77.1	77.3	77.1	77.5	77.0	77.5	76.8	

E: MOFSL Estimates

Quarterly Snapshot

(INR b)	FY26				FY27	Change (%)	
Profit and Loss	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**YoY**	**QoQ**
Profit and Loss							
Net Interest Income	**90.1**	**91.4**	**92.5**	**98.1**	**102.2**	**13.4**	**4.2**
Other Income	70.6	70.5	79.0	48.2	67.3	-4.7	39.4
Total Income	**160.7**	**162.0**	**171.5**	**146.3**	**169.4**	**5.4**	**15.8**
Operating Expenses	**75.2**	**76.1**	**80.3**	**78.7**	**83.1**	**10.5**	**5.5**
Employee	48.0	48.2	49.0	47.4	50.9	6.2	7.3
Operating Profits	**85.5**	**85.9**	**91.2**	**67.6**	**86.4**	**1.0**	**27.8**
Core Operating Profits	**69.4**	**73.7**	**65.3**	**68.6**	**79.8**	**15.1**	**16.3**
Provisions	23.5	23.5	24.1	9.9	20.8	-11.5	109.7
PBT	62.0	62.3	67.1	57.7	65.6	5.7	13.7
Taxes	14.5	14.6	15.5	12.6	17.0	17.2	34.9
PAT	**47.5**	**47.7**	**51.6**	**45.1**	**48.6**	**2.2**	**7.8**
Balance sheet (INR b)							
Loans	10,736	11,301	11,728	12,200	12,777	19.0	4.7
Deposits	14,438	15,003	15,213	15,687	16,117	11.6	2.7
CASA Deposits	3,957	4,281	4,124	4,288	4,376	10.6	2.1
- Savings	3,417	3,522	3,577	3,666	3,772	10.4	2.9
- Current	540	759	546	622	604	11.8	-2.9
Loan mix (%)							
Agriculture & Allied	22.7	23.1	22.6	22.3	21.3	-136	-95
MSME	13.4	13.4	13.5	12.8	13.1	-32	30
Retail	21.5	21.8	22.9	24.0	24.7	326	74
Corporate and others	42.5	41.7	41.0	41.0	40.9	-158	-9
Asset Quality (INR b)							
GNPA	295.2	270.4	248.3	227.4	203.5	-31.0	-10.5
NNPA	67.7	61.1	53.2	52.1	46.5	-31.2	-10.7
Slippages	21.7	21.0	19.0	28.0	18.0	-16.9	-35.7
Asset Quality Ratios (%)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**YoY (bp)**	**QoQ (bp)**
GNPA (%)	2.7	2.4	2.1	1.8	1.6	-112	-27
NNPA (%)	0.6	0.5	0.5	0.4	0.4	-27	-7
PCR (Calculated, %)	77.1	77.4	78.6	77.1	77.1	6	5
PCR (inc TWO, %)	93.2	93.6	94.2	94.2	94.8	159	55
Slippage Ratio (%)	0.9	0.9	0.7	1.1	0.7	-24	-40
Business Ratios							
CASA	29.6	30.7	29.5	29.8	29.7	14	-14
Loan/Deposit	74.4	75.3	77.1	77.8	79.3	492	150
Other income/Total Income	43.9	43.6	46.1	33.0	39.7	-423	674
Cost to Income	46.8	47.0	46.8	53.8	49.0	226	-479
Cost to asset	1.8	1.8	1.9	1.8	1.8	-3	5
Tax Rate	23.4	23.4	23.1	21.9	25.9	255	408
Capitalisation Ratios (%)							
Tier-1	14.6	14.3	14.6	14.6	15.0	42	41
- CET 1	12.3	12.2	12.4	12.4	12.9	62	47
CAR	16.5	16.2	16.5	17.0	17.2	65	13
RWA / Total Assets	43.7	44.3	44.2	44.0	44.2	58	24
LCR	144.2	132.3	126.1	116.9	119.0	-2522	207
Profitability Ratios							
Yield on loans	8.5	8.4	8.3	8.3	8.0	-47	-29
Yield On Funds	7.4	7.3	7.3	7.2	7.1	-37	-16
Cost of Funds	5.3	5.2	5.2	5.1	4.9	-40	-22
Cost of Deposits	5.7	5.7	5.6	5.5	5.3	-46	-27
NIMs	2.6	2.5	2.5	2.5	2.5	-3	-2
Other Details							
Branches	9,861	9,948	10,066	10,097	10,131	270	34
ATMs	10,847	7,405	7,048	11,306	11,047	200	(259)

CONFERENCE CALL

Highlights from the management commentary

Opening Remarks

- Met most of the guidance across metrics.
- Business growth came in at 14% YoY against guidance of 10-11%.
- Advances growth was 19% YoY, well ahead of guidance of 11-12%.
- Deposits growth came in at 11.6% YoY, with CASA growing at 9% YoY.
- NIM came in at 2.52%, largely stable QoQ.
- First focus will be on efficiency over growth, but shall try to strike a balance between the two.
- RoA/RoE stood at 1.04%/18.31%.

Advances and deposits

- INR180b of advances eligible in the ECLGS scheme, against which sanction of INR110b is made and INR100b is already disbursed.
- Individual savings have increased by 12.8% YoY, while retail TD is growing at 9% YoY. Launched new products in retail TD and individual savings space.
- Aims to mobilize USD2.3-2.5b in FCNR(B) deposits + OFCBs + ECBs. Endeavors to cross USD1b in July, with USD775m already raised.
- Getting better pricing in corporate lending even for higher-rated corporates. 86% of the corporate book is A&+ rated.
- Around INR500b is credit pipeline with 100 a/cs in the corporate space.
- 53% of portfolio is repo-rate linked.
- INR2.59t of gold loan book is outstanding as of Jun’26. Agri gold loan book is at INR1.51t, while retail gold loan book is at INR1.08L. LTV of gold loan book is around 60-65%.
- Avg. LCR for the quarter was 119%.

Yields and margins

- Incremental lending is happening at better rates.
- A 29-30bp favorable gap in bulk deposits inflow over outflow. Rate of bulk deposits in June was 6.58%.
- Interest on IT refund was INR2.5b in 1QFY27 vs. INR6.9b in 1QFY26.
- Interest on recovery from TWO was INR2.6b in 1QFY27 vs. INR3.8b in 1QFY26.
- Yields have largely stabilized at current levels.
- Blended yield on RAM is higher compared to corporate. Corporate has few a/c with less than 7% yield. Difference in corporate and RAM yield could be about 50bp.

Other income and Opex

- Treasury income of INR10.6b relatively muted vs. INR19.9b in 1QFY26.
- PSLC income largely accrues in 1Q and 2Q of a year. Earned INR19b vs. INR16.8b in 1QFY26.
- INR3b for staff PLI recorded in opex.
- More than INR30b allocated for digital spends. Total IT spends to be 8% of total opex.
- Wants to do AI investments in a more calibrated manner.

- Fee income was soft QoQ owing to higher specific commissions/charges booked in 4Q.

Asset quality

- Credit costs declined to 0.49% in 1QFY27 from 0.59% in 4QFY26.
- 3-4 big government accounts keep on oscillating between SMA 0,1 and 2; however, they shall never turn NPA.
- This quarter’s provisions of INR37.8b include higher income tax provision of INR17b.
- Total fresh slippages came in at INR17.8b. Breakup: INR7.3b in Agri, INR6.8b in MSME, INR3.4b in retail, INR0.3b in Corporate.
- Districts that are adversely impacted by rains receive some kind of dispensation from the government. KCC portfolio could be impacted but that is not a big portfolio for the bank.

ECL

- INR100-120b of additional provisioning shall be needed for ECL transition.
- As a % of RWA, the impact shall be 1.20-1.25% if it is providing the entire provision together in 1 year.
- CAR at 17.17%. Tier-I at 15%. Comfortably placed in CAR.
- Plans to spread ECL transitional provision impact over two years.
- No floating provisions have been created for ECL as of now.
- Steady state credit costs should not sustainably increase. Impact could be less than 10bp.

Key focus areas for new MD

- CBK is little challenged on efficiency parameter, especially in CASA. Aspires to improve the same.
- To further work in the HR function. Believe it is a key differential between banks.
- Ethics too would be an area of priority.

Story in charts

Exhibit 1: Loan book grew 19.0% YoY (up 4.7% QoQ)

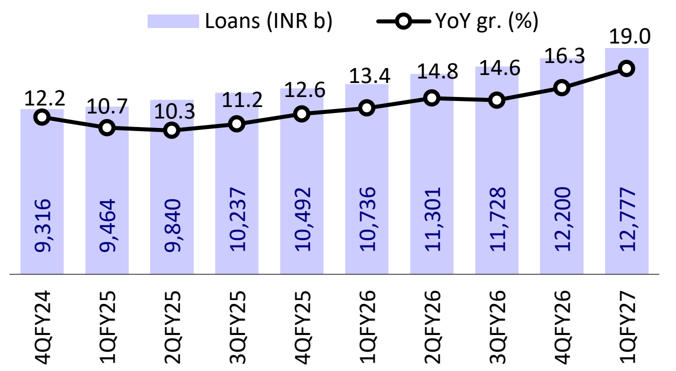


Exhibit 2: Deposits grew 11.6% YoY (up 2.7% QoQ)

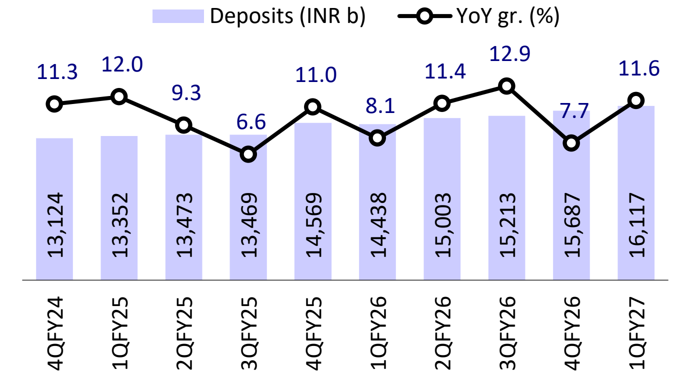


Exhibit 3: NIM declined 2bp QoQ to 2.52%

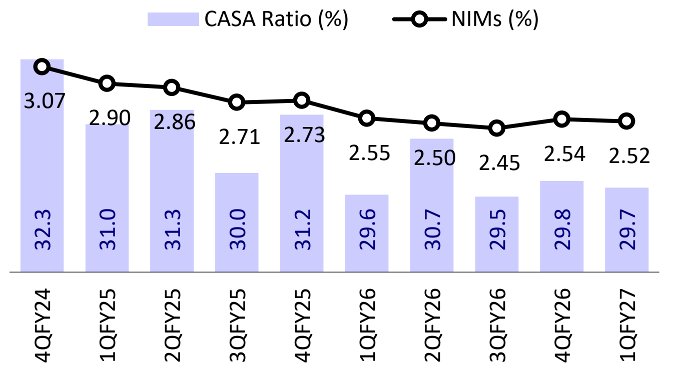


Exhibit 4: Yield on loans declined 29bp QoQ to 8.0%

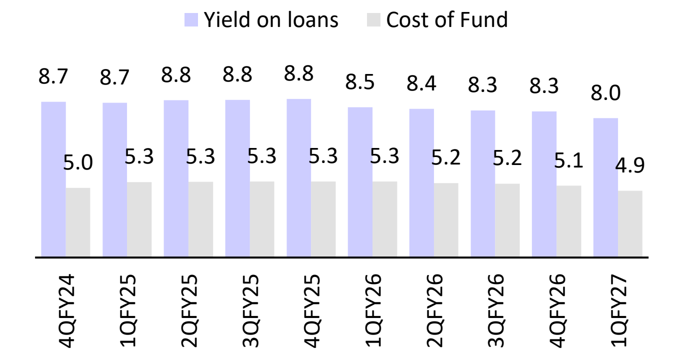


Exhibit 5: C/I ratio declined to 49.0%

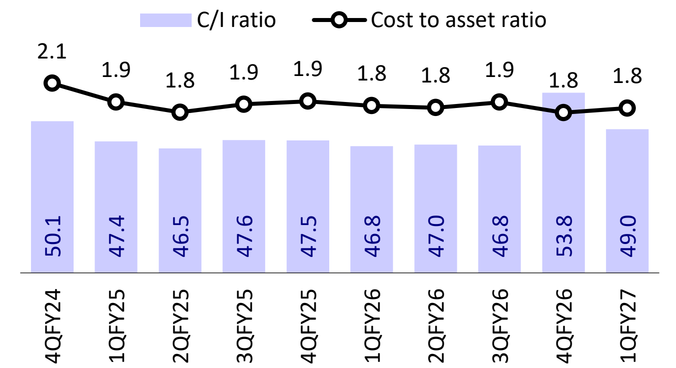


Exhibit 6: C/D ratio increased to 79.3%

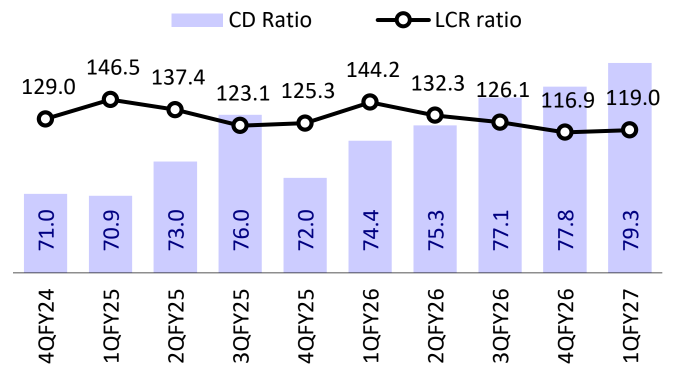
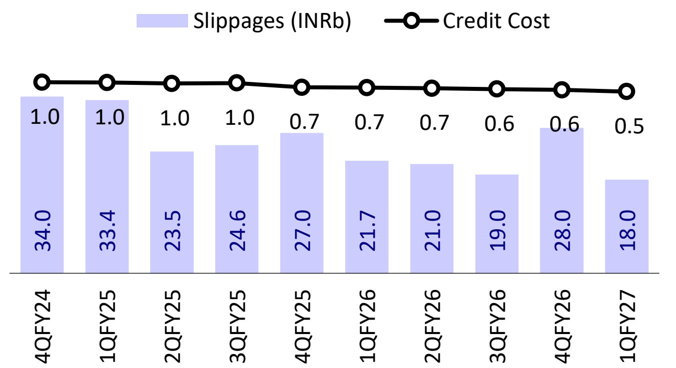
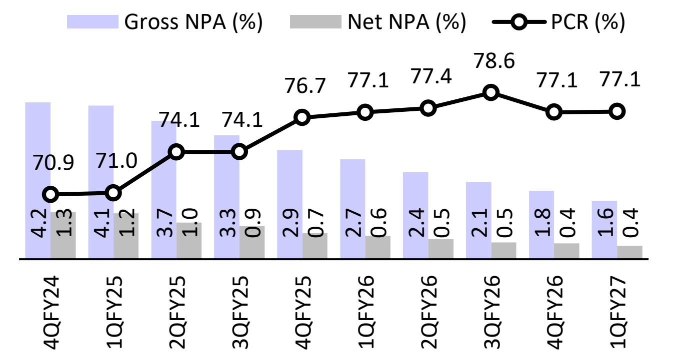


Exhibit 7: Slippages/Credit costs declined to INR18b/49bp



Source: MOFSL, Company

Exhibit 8: GNPA/NNPA ratios improved 27bp/7bp QoQ



Source: MOFSL, Company

Valuation and view: Maintain BUY with a TP of INR160

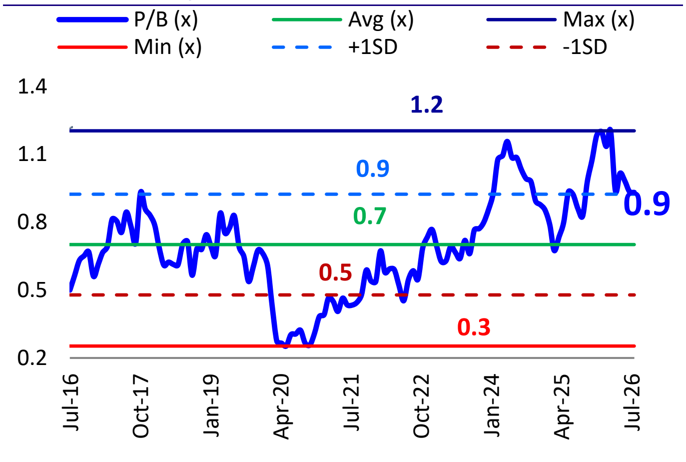
- CBK reported a steady quarter with stable margins and strong other income, offset by higher provisioning even as asset quality improved. NIMs are expected to be range-bound at 2.5-2.6% for FY27.
- Loan growth was healthy, driven by retail and MSME loans. Deposit growth lags credit growth, while focus remains on improving the granularity of deposits under the new MD. CBK maintains its loan growth guidance of 11-12%.
- Asset quality for the bank improved, with lower slippages and NPAs across asset classes. The bank shall be making additional provisions of INR100-120b for ECL transition, which shall have an impact of 1.20-1.25% on CRAR.
- The bank maintains its RoA guidance of 1%. **We marginally tweak our estimates for FY27/28 and expect CBK to deliver FY27E RoA/RoE of 1.01%/17.9%. Reiterate BUY with a TP of INR160 (based on 1.1x Mar'28E ABV+ INR13 for subs).**

Exhibit 9: Revisions to our earnings estimates

(INR b)	Old Est		Rev Est		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Net Interest Income	**430.9**	**498.5**	**434.8**	**505.1**	**0.9**	**1.3**
Other Income	236.2	259.8	236.2	259.8	0.0	0.0
Total Income	**667.1**	**758.3**	**671.0**	**764.9**	**0.6**	**0.9**
Operating Expenses	329.6	366.2	329.6	366.2	0.0	0.0
Operating Profits	**337.5**	**392.1**	**341.5**	**398.7**	**1.2**	**1.7**
Provisions	79.0	94.9	79.3	96.5	0.4	1.7
PBT	**258.5**	**297.2**	**262.2**	**302.2**	**1.4**	**1.7**
Tax	60.7	70.4	61.6	71.6	1.4	1.7
PAT	**197.7**	**226.7**	**200.6**	**230.6**	**1.4**	**1.7**
Loans	13,762	15,289	13,811	15,551	0.4	1.7
Deposits	17,475	19,240	17,569	19,519	0.5	1.5
Margins (%)	2.27	2.39	2.25	2.35	-0.7	-1.7
Credit Cost (%)	0.61	0.65	0.61	0.66	0.2	0.6
RoA (%)	**1.00**	**1.04**	**1.01**	**1.04**	**0.9**	**0.4**
RoE (%)	**17.7**	**18.7**	**17.9**	**19.0**	**1.3**	**1.3**
BV	132	141	132	142	0.2	0.5
ABV	126	135	127	136	0.3	0.6
EPS	22	25	22	25	1.4	1.7

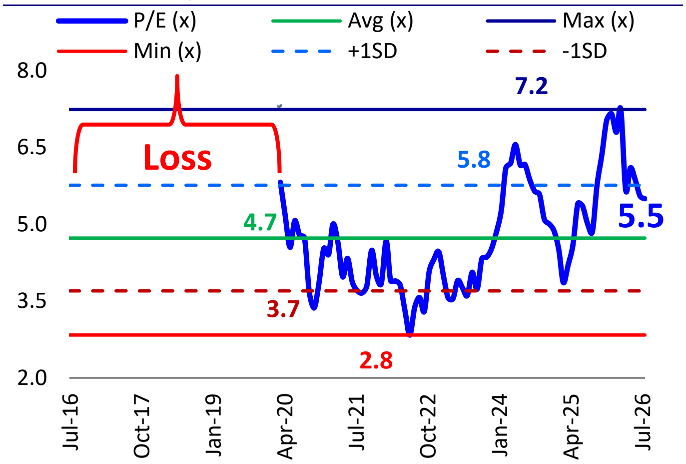
Source: MOFSL, Company

Exhibit 10: One-year forward P/B ratio



Source: MOFSL, Company

Exhibit 11: One-year forward P/E ratio



Source: MOFSL, Company

Exhibit 12: DuPont Analysis: We expect RoA of 1.01% in FY27

Y/E MARCH	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	6.6	7.7	7.5	7.1	7.2	7.3
Interest Expense	4.1	5.1	5.2	5.0	5.0	5.0
Net Interest Income	**2.44**	**2.58**	**2.33**	**2.09**	**2.19**	**2.28**
Non-Interest income	**1.46**	**1.34**	**1.41**	**1.50**	**1.19**	**1.18**
Total Income	**3.90**	**3.91**	**3.75**	**3.59**	**3.37**	**3.46**
Operating Expenses	**1.75**	**1.84**	**1.77**	**1.74**	**1.66**	**1.66**
Employee cost	1.07	1.16	1.12	1.08	1.04	1.04
Other operating expenses	0.68	0.68	0.65	0.66	0.62	0.61
Operating Profits	**2.15**	**2.07**	**1.98**	**1.85**	**1.72**	**1.80**
Core operating Profits	**2.01**	**1.96**	**1.81**	**1.55**	**1.41**	**1.49**
Provisions	**1.05**	**0.68**	**0.55**	**0.45**	**0.40**	**0.44**
PBT	**1.10**	**1.39**	**1.42**	**1.40**	**1.32**	**1.37**
Tax	0.28	0.36	0.35	0.32	0.31	0.32
RoA	**0.82**	**1.03**	**1.07**	**1.08**	**1.01**	**1.04**
Leverage (x)	20.8	19.7	18.5	17.8	17.8	18.2
RoE	**17.14**	**20.22**	**19.88**	**19.15**	**17.93**	**18.99**

Source: MOFSL, Company

Financials and Valuations

Income Statement (INR b)

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Interest Income	844.2	1,086.9	1,197.6	1,263.7	1,437.1	1,607.2
Interest Expense	529.9	721.2	826.8	891.6	1,002.3	1,102.1
Net Interest Income	**314.4**	**365.7**	**370.7**	**372.1**	**434.8**	**505.1**
- growth (%)	19.1	16.3	1.4	0.4	16.9	16.2
Non-Interest Income	187.6	189.7	224.5	268.4	236.2	259.8
Total Income	**502.0**	**555.3**	**595.2**	**640.5**	**671.0**	**764.9**
- growth (%)	17.1	10.6	7.2	7.6	4.8	14.0
Operating Expenses	224.8	261.2	281.3	310.3	329.6	366.2
Pre-Provision Profits	**277.2**	**294.1**	**313.9**	**330.2**	**341.5**	**398.7**
- growth (%)	13.4	6.1	6.7	5.2	3.4	16.8
Core PPoP	**258.2**	**277.9**	**287.2**	**277.0**	**280.3**	**328.4**
- growth (%)	18.2	7.6	3.4	-3.6	1.2	17.2
Provisions	135.4	97.1	87.6	81.1	79.3	96.5
Exceptional Item	0.0	0.0	0.0	NA	NA	NA
PBT	**141.7**	**197.0**	**226.3**	**249.1**	**262.2**	**302.2**
Tax	35.7	51.5	56.0	57.2	61.6	71.6
Tax Rate (%)	25.2	26.1	24.7	23.0	23.5	23.7
PAT	**106.0**	**145.5**	**170.3**	**191.9**	**200.6**	**230.6**
- growth (%)	86.7	37.3	17.0	12.7	4.5	15.0

Balance Sheet

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	18.1	18.1	18.1	18.1	18.1	18.1
Reserves & Surplus	717.9	851.4	980.9	1,115.7	1,214.0	1,306.9
Net Worth	**736.1**	**869.5**	**999.0**	**1,133.8**	**1,232.1**	**1,325.0**
Deposits	**11,792.2**	**13,123.7**	**14,298.6**	**15,686.8**	**17,569.2**	**19,519.4**
- growth (%)	8.5	11.3	9.0	9.7	12.0	11.1
- CASA Deposits	**3,665.8**	**3,924.1**	**4,150.5**	**4,288.8**	**4,972.1**	**5,641.1**
- growth (%)	-0.6	7.0	5.8	3.3	15.9	13.5
Borrowings	580.9	575.9	1,166.9	1,552.9	1,634.6	1,795.0
Other Liabilities & Prov.	348.2	346.3	382.4	458.5	527.3	611.7
Total Liabilities	**13,457.3**	**14,915.4**	**16,846.9**	**18,832.0**	**20,963.2**	**23,251.0**
Current Assets	1,414.2	1,507.6	2,053.4	2,063.0	2,266.0	2,408.5
Investments	**3,190.4**	**3,574.5**	**3,821.8**	**4,034.1**	**4,316.5**	**4,683.4**
- growth (%)	13.1	12.0	6.9	5.6	7.0	8.5
Loans	**8,306.7**	**9,316.1**	**10,491.6**	**12,200.2**	**13,810.6**	**15,550.7**
- growth (%)	18.1	12.2	12.6	16.3	13.2	12.6
Fixed Assets	102.3	122.3	102.2	105.7	113.1	121.0
Other Assets	443.7	394.9	378.0	429.0	456.9	487.3
Total Assets	**13,457.3**	**14,915.4**	**16,846.9**	**18,832.0**	**20,963.2**	**23,251.0**

Asset Quality

	FY23	FY24	FY25	FY26	FY27E	FY28E
GNPA (INR b)	461.6	406.0	315.3	227.4	212.6	240.0
NNPA (INR b)	143.9	118.6	73.8	52.3	47.8	59.2
Slippages (INR b)	119.8	106.3	85.4	70.9	117.0	138.0
GNPA Ratio (%)	5.4	4.2	2.9	1.8	1.5	1.5
NNPA Ratio (%)	1.7	1.3	0.7	0.4	0.3	0.4
Slippage Ratio (%)	1.7	1.3	0.9	0.7	1.5	2.2
Credit Cost (%)	1.3	1.0	1.0	0.6	0.6	0.6
PCR (Excl Tech. write off) (%)	68.8	70.8	76.6	77.0	77.5	75.3

E: MOFSL Estimates

Financials and Valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield-Earning Assets	**6.9**	**8.0**	**7.8**	**7.3**	**7.4**	**7.5**
Avg. Yield on loans	8.0	8.9	8.9	8.2	8.3	8.3
Avg. Yield on Investments	6.6	6.8	6.7	6.5	6.7	6.8
Avg. Cost-Int. Bear. Liab.	**4.3**	**5.3**	**5.4**	**5.3**	**5.4**	**5.4**
Avg. Cost of Deposits	4.3	5.3	5.4	5.3	5.4	5.4
Interest Spread	**2.6**	**2.6**	**2.4**	**2.0**	**2.0**	**2.1**
Net Interest Margin	**2.6**	**2.7**	**2.4**	**2.2**	**2.3**	**2.4**
Capitalisation Ratios (%)						
CAR	16.7	16.3	16.3	17.0	17.1	17.5
- Tier I	13.8	14.0	14.4	14.6	15.0	15.6
- CET-1	11.6	11.7	12.0	12.4	13.0	13.6
- Tier II	2.9	2.3	2.0	2.5	2.2	1.9
Business Ratios (%)						
Loans/Deposit Ratio	70.4	71.0	73.4	77.8	78.6	79.7
Investment/Deposit Ratio	27.1	27.2	26.7	25.7	24.6	24.0
CASA Ratio	31.1	29.9	29.0	27.3	28.3	28.9
Cost/Assets	1.7	1.8	1.7	1.6	1.6	1.6
Cost/Total Income	44.8	47.0	47.3	48.4	49.1	47.9
Cost/Core Income	46.5	48.5	49.5	52.8	54.0	52.7
Int. Expense/Int.Income	62.8	66.4	69.0	70.6	69.7	68.6
Fee Income/Net Income	33.6	31.2	33.2	33.6	26.1	24.8
Non Int. Inc./Net Income	37.4	34.2	37.7	41.9	35.2	34.0
Empl. Cost/Op. Exps.	61.1	62.9	63.5	62.1	62.5	63.0
Efficiency Ratios (%)						
Employee per branch (in nos)	8.8	8.6	8.3	8.1	8.2	8.3
Staff cost per employee (INR m)	1.6	2.0	2.2	2.4	2.5	2.7
CASA/Branch (INRm)	377.7	408.6	421.4	424.8	487.6	547.7
Deposit/Branch (INRm)	1,214.9	1,366.5	1,451.8	1,553.6	1,722.8	1,895.1
Business per Employee (INR m)	236.5	271.5	305.1	340.8	376.0	411.9
Profit per Employee (INR m)	1.2	1.8	2.1	2.3	2.4	2.7
Profitability and Valuation						
RoE	17.1	20.2	19.9	19.1	17.9	19.0
RoA	0.8	1.0	1.1	1.1	1.0	1.0
RoRWA	1.9	2.2	2.3	2.3	2.1	2.5
Book Value (INR)	77	90	106	121	132	142
- growth (%)	13.1	17.9	17.6	14.0	8.9	7.8
Price-BV (x)	**1.7**	**1.4**	**1.2**	**1.0**	**1.0**	**0.9**
Adjusted BV (INR)	64	80	99	116	127	136
Price-ABV (x)	**2.0**	**1.6**	**1.3**	**1.1**	**1.0**	**0.9**
EPS (INR)	11.7	16.0	18.8	21.2	22.1	25.4
- growth (%)	78.1	37.3	17.0	12.7	4.5	15.0
Price-Earnings (x)	**10.9**	**7.9**	**6.8**	**6.0**	**5.7**	**5.0**
Dividend Per Share (INR)	2.4	3.2	4.0	4.2	6.7	10.8
Dividend Yield (%)	**1.9**	**2.5**	**3.1**	**3.3**	**5.3**	**8.5**

E: MOFSL Estimates

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Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.
Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN .: 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.
Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.