

BUY

TP: Rs 159 | ▲ 20%

CANARA BANK

| Banking

| 30 October 2025

Return ratios remain healthy; asset quality improving

- **PAT largely supported by other income; advances growth largely led by retail credit and was higher vs system levels**
- **Asset quality improved, largely aided by lower slippages; targets GNPA of 2.5% in FY26E**
- **Maintain BUY with revised TP of Rs 159 (Rs 131 earlier), set at 1.0x Sep'27E ABV**

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PAT largely supported by other income: CBK reported PAT of Rs 47.7bn (+19% YoY) in Q2FY26, largely aided by a significant rise in other income to Rs 70.5bn (+42% YoY) which was partially offset by decline in NII to Rs 91.4bn (-2% YoY). Other income was mainly supported by a) fee income of Rs 25.9bn (+6% YoY), b) treasury income of Rs 15.8bn (+79% YoY), and c) recoveries in w/off accounts of Rs 16.8bn (+41% YoY). NIMs declined to 2.5% (-36bps YoY; -5bps QoQ), as the bank passed on repo rate cut and given that 45% of CBK's loans are repo linked. The bank guided NIMs of 2.75-2.8% for FY26. Further, management expects NIMs to be stable in Q3FY26 and to improve gradually thereafter, but will stay above 2.5%. CBK reported RoA/RoE of 1.1%/20% in Q2FY26 vs its guidance of 1.05%/18.5% in FY26.

Advances growth remains above system levels: Gross advances grew 13.7% YoY, which was higher vs system growth of ~10.4% as of Sep'25. Retail, Agri and MSME (RAM) grew 16.4% YoY while corporate book was up 10.2% YoY. RAM growth was mainly aided by retail credit (+29.1% YoY). As a result, share of RAM credit increased to 58% (Sep'25) vs 57% (Sep'24). Management guided for an advance growth of 10-11% in FY26 with RAM expected to grow at a higher pace vs corporate at 10-11%. We have increased the advances CAGR to 12.8% vs the earlier estimate of 11.5% during FY25-28E.

Asset quality improved, largely aided by lower slippages: AQ improved with GNPA ratio falling to 2.35% (-34bps QoQ), mainly aided by the decline in slippages to Rs 21bn (-3% QoQ) or slippage ratio of 0.76% (-5bps QoQ). Slippage was mainly from MSME (Rs 9bn), agri (Rs 7.5bn) and retail (Rs 3.5bn). SMA book declined to Rs 74.7bn (-15% QoQ) or 0.65% (-15bps QoQ), of which Rs 50bn is already provided. We note that the bank has technical w/off pool of Rs 710bn and expects recovery of ~Rs 50bn per year. CBK guided GNPA/NNPA of 2.5%/0.6% for FY26.

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 ~1.1/17.7% during FY26-FY28E. We maintain BUY and roll over valuation to 1.0x Sep'27E ABV with revised TP of Rs 159 (from Rs 131).

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	CBK IN/Rs 133
Market cap	US\$ 13.6bn
Free float	42%
3M ADV	US\$ 32.3mn
52wk high/low	Rs 134/Rs 79
Promoter/FPI/DII	63%/12%/12%

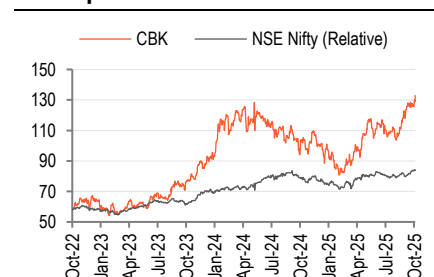
Source: NSE | Price as of 30 Oct 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	3,70,720	3,97,068	4,69,124
NII growth (%)	1.4	7.1	18.1
Adj. net profit (Rs mn)	1,70,267	2,00,336	2,18,354
EPS (Rs)	18.8	22.1	24.1
Consensus EPS (Rs)	18.8	18.9	20.7
P/E (x)	7.1	6.0	5.5
P/BV (x)	1.2	1.0	0.9
ROA (%)	1.1	1.1	1.1
ROE (%)	18.2	18.6	17.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly snapshot: Income statement

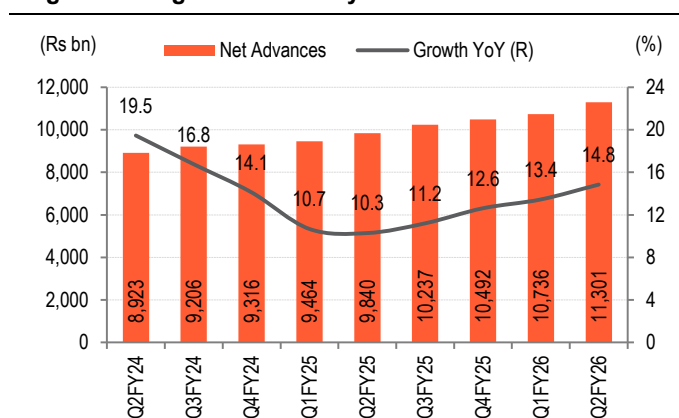
(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Income Statement							
Interest Income	2,17,581	2,24,456	2,28,077	2,26,183	2,30,811	6.1	2.0
Income on investments	60,597	61,863	62,719	61,932	63,069	4.1	1.8
Int. on bal. with RBI & inter-bank funds & Others	19,223	16,797	19,224	21,913	21,560	12.2	(1.6)
Interest income	2,97,401	3,03,116	3,10,020	3,10,028	3,15,439	6.1	1.7
Interest expense	2,04,249	2,11,630	2,15,601	2,19,941	2,24,027	9.7	1.9
Net interest income	93,152	91,486	94,419	90,088	91,412	(1.9)	1.5
Growth YoY (%)	4.6	(2.9)	(1.4)	(1.7)	(1.9)		
Fee Income	24,360	21,850	23,350	22,230	25,860	6.2	16.3
Trading gains/(losses)	6,610	9,450	7,110	16,170	12,170	84.1	(24.7)
Forex Income	1,730	2,280	2,760	3,760	3,270	89.0	(13.0)
Others	17,110	24,442	30,288	28,445	29,238	70.9	2.8
Non-interest income	49,810	58,022	63,508	70,605	70,538	41.6	(0.1)
Growth YoY (%)	7.5	35.1	21.7	32.7	41.6		
Total income	1,42,962	1,49,508	1,57,927	1,60,692	1,61,950	13.3	0.8
Growth YoY (%)	5.6	9.0	6.7	10.9	13.3		
Staff expenses	43,632	44,805	47,828	47,955	48,223	10.5	0.6
Other operating expenses	22,792	26,336	27,262	27,201	27,847	22.2	2.4
Operating expenses	66,424	71,141	75,090	75,157	76,069	14.5	1.2
Pre-Provisioning Profit (PPoP)	76,538	78,367	82,837	85,536	85,881	12.2	0.4
Growth YoY (%)	0.5	15.2	12.1	12.3	12.2		
Provisions	22,513	23,983	18,317	23,516	23,542	4.6	0.1
Growth YoY (%)	(13.7)	26.3	(26.2)	3.0	4.6		
PBT	54,025	54,384	64,520	62,020	62,340	15.4	0.5
Tax	13,880	13,342	14,493	14,500	14,600	5.2	0.7
PAT	40,145	41,042	50,027	47,520	47,740	18.9	0.5
Growth YoY (%)	11.3	12.3	33.1	21.7	18.9		
Per Share							
FV (Rs)	2	2	2	2	2		
EPS (Rs)	4.4	4.5	5.5	5.2	5.3	18.7	0.4
Book Value (Rs)	107	108	110	115	119	11.6	3.7

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

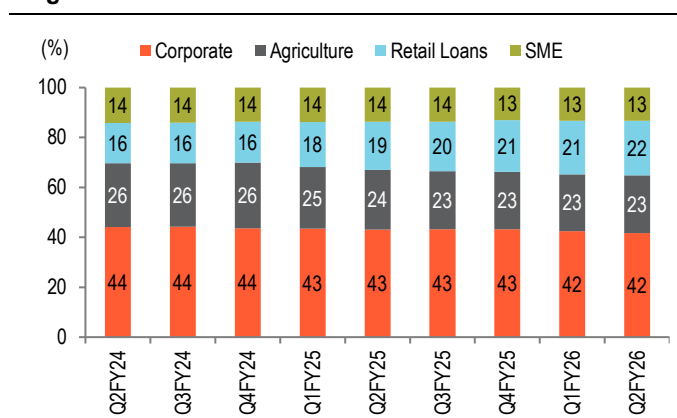
Fig 2 – Quarterly snapshot: Key balance sheet & other metrics

(Rs mn)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Deposits	1,34,73,467	1,36,94,647	1,45,68,832	1,46,76,553	1,52,79,219	13.4	4.1
Growth YoY (%)	9.3	8.4	11.0	9.9	13.4		
Advances	98,40,412	1,02,37,269	1,04,91,550	1,07,35,762	1,13,01,139	14.8	5.3
Growth YoY (%)	10.3	11.2	12.6	13.4	14.8		
Investment	37,29,450	37,93,721	38,03,434	39,73,234	39,46,109	5.8	(0.7)
Equity	9,70,763	9,82,219	9,99,001	10,44,548	10,82,908	11.6	3.7
Assets	1,57,57,079	1,59,26,483	1,68,28,496	1,72,76,334	1,76,48,849	12.0	2.2
Growth YoY (%)	10.5	8.4	12.8	12.8	12.0		
Yield (%)							
Yield on Funds	7.9	7.9	7.8	7.5	7.4	(50bps)	(5bps)
Cost of Funds	5.7	5.8	5.7	5.6	5.6	(14bps)	(3bps)
Spread	2.2	2.1	2.1	1.9	1.9	(35bps)	(3bps)
Net Interest Margin (calc.)	2.5	2.4	2.4	2.2	2.2	(33bps)	(2bps)
Ratios (%)							
Other Income / Net Income	34.8	38.8	40.2	43.9	43.6	871bps	(38bps)
Cost to Income ratio	46.5	47.6	47.5	46.8	47.0	51bps	20bps
CASA ratio	28.7	27.5	28.5	27.0	28.0	(73bps)	106bps
C/D ratio	73.0	74.8	72.0	73.1	74.0	93bps	82bps
Investment to Assets	23.7	23.8	22.6	23.0	22.4	(131bps)	(64bps)
Asset Quality							
GNPA	3,77,333	3,50,606	3,15,300	2,95,184	2,70,403	(28.3)	(8.4)
NNPA	97,774	90,811	73,530	67,652	61,132	(37.5)	(9.6)
Provision	2,79,559	2,59,795	2,41,770	2,27,532	2,09,271	(25.1)	(8.0)
GNPA (%)	3.7	3.3	2.9	2.7	2.4	(138bps)	(34bps)
NNPA (%)	1.0	0.9	0.7	0.6	0.5	(45bps)	(9bps)
Provision (%)	74.1	74.1	76.7	77.1	77.4	330bps	31bps
Others (nos)							
Branches	9,662	9,820	9,849	9,865	9,952	(63)	209
ATMs	9,881	9,715	11,954	7,907	7,405	(2,277)	(2,776)

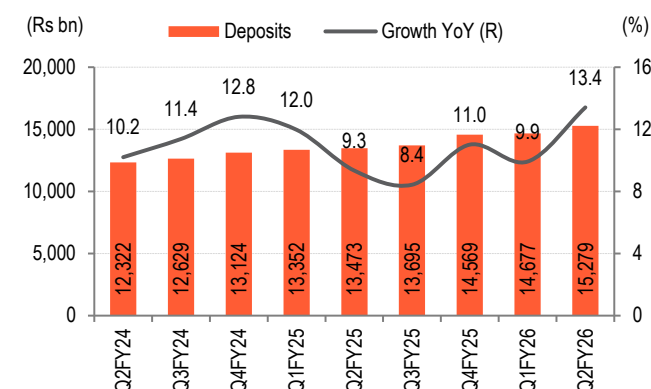
Source: BOBCAPS Research, Company

Fig 3 – Loan growth above system levels

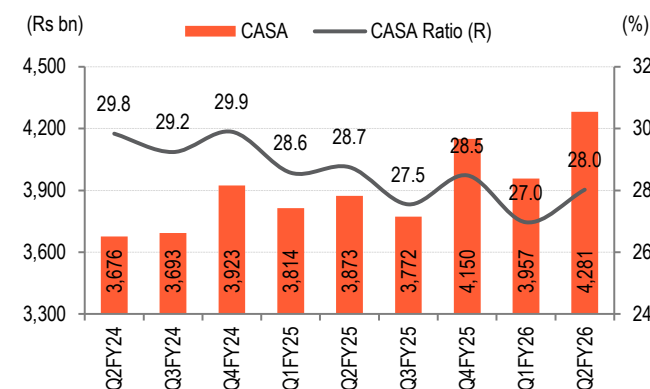
Source: Company, BOBCAPS Research

Fig 4 – Loan mix – RAM consisted 58% of total loans

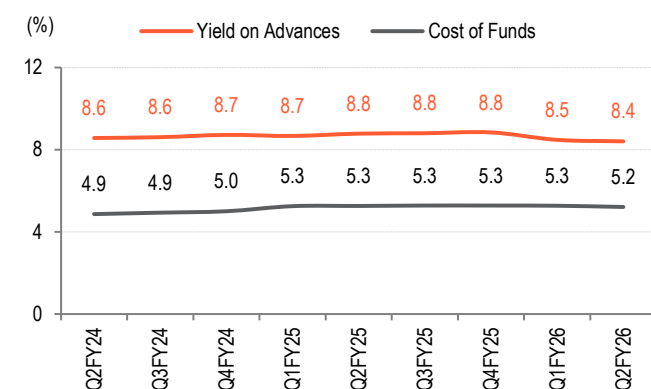
Source: Company, BOBCAPS Research

Fig 5 – Deposits grew 13.4% YoY, led by higher term deposits

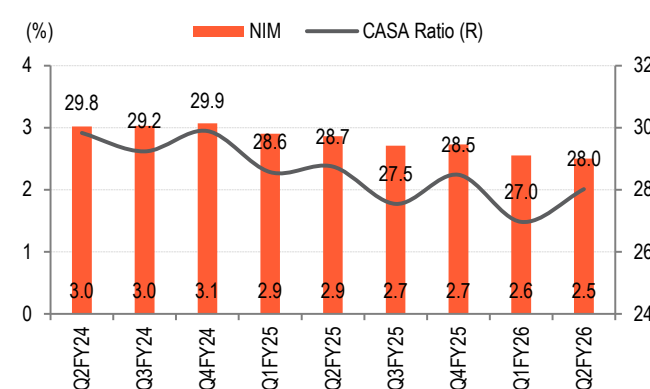
Source: Company, BOBCAPS Research

Fig 6 – CASA ratio improved, driven by higher inflows from large institutional deposits

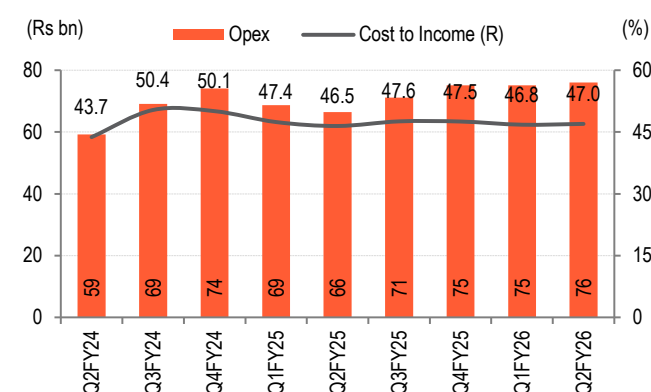
Source: Company, BOBCAPS Research

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

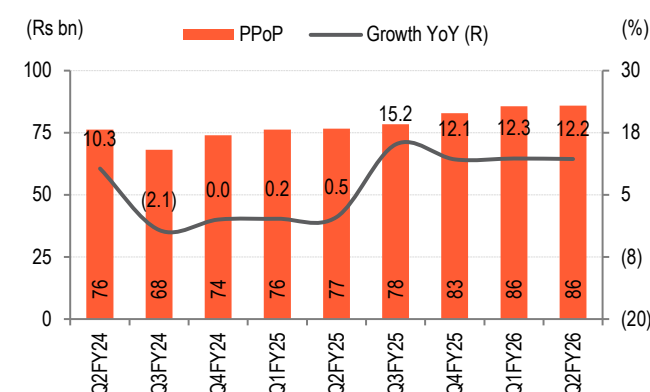
Source: Company, BOBCAPS Research

Fig 8 – ...resulting in pressure on NIMs

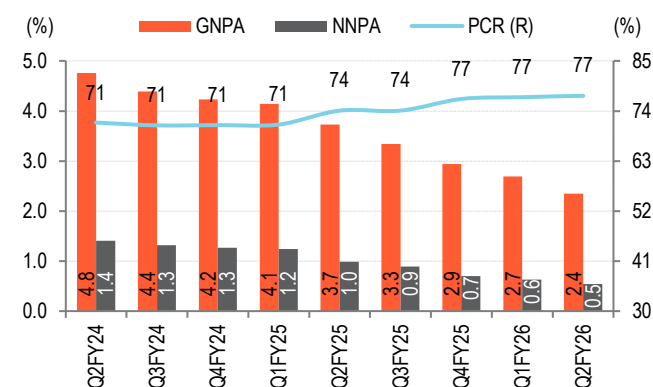
Source: Company, BOBCAPS Research

Fig 9 – C/I ratio improves

Source: Company, BOBCAPS Research

Fig 10 – PPOP growth of 12% YoY, mainly aided by non-interest income

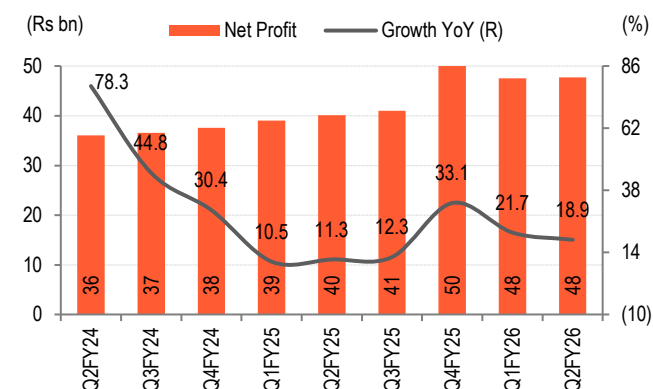
Source: Company, BOBCAPS Research

Fig 11 – Asset quality continues to improve

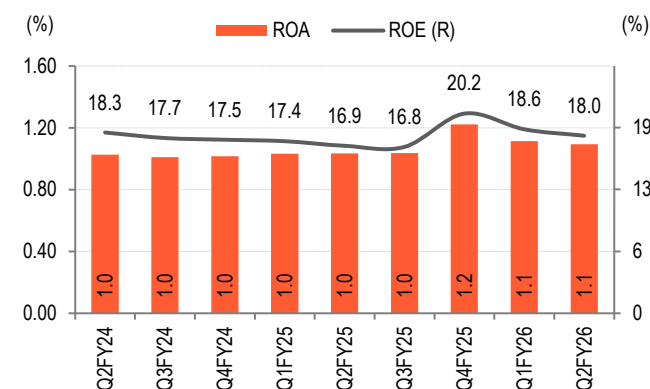
Source: Company, BOBCAPS Research

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)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Retail Loans	19,45,560	20,81,160	22,33,660	23,54,180	25,11,900	29.1	6.7
Agriculture	24,29,300	24,37,870	24,69,040	24,88,360	26,61,740	9.6	7.0
SME	13,91,030	14,38,860	13,98,570	14,66,460	15,37,770	10.5	4.9
RAM	57,65,890	59,57,890	61,01,270	63,09,000	67,11,410	16.4	6.4
Corporate	43,54,080	45,39,170	46,32,050	46,54,290	47,99,000	10.2	3.1
Domestic Gross Advances	95,41,490	98,75,910	1,00,86,710	1,03,21,420	1,08,14,280	13.3	4.8
Overseas Gross Loan	5,78,480	6,21,150	6,46,610	6,41,870	6,96,130	20.3	8.5
Total Gross Loan	1,01,19,970	1,04,97,060	1,07,33,320	1,09,63,290	1,15,10,410	13.7	5.0

Source: Company, BOBCAPS Research

Fig 16 – Loan book distribution

(%)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Retail Loans	19.2	19.8	20.8	21.5	21.8	260bps	35bps
Agriculture	24.0	23.2	23.0	22.7	23.1	(88bps)	43bps
SME	13.7	13.7	13.0	13.4	13.4	(39bps)	(2bps)
RAM	57.0	56.8	56.8	57.5	58.3	133bps	76bps
Corporate	43.0	43.2	43.2	42.5	41.7	(133bps)	(76bps)
Domestic advances	94.3	94.1	94.0	94.1	94.0	(33bps)	(19bps)
Overseas Loan	5.7	5.9	6.0	5.9	6.0	33bps	19bps
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)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
CASA Deposits	38,73,270	37,72,070	41,49,760	39,57,410	42,81,150	10.5	8.2
Term Deposits	96,00,197	99,22,577	1,04,19,072	1,07,19,143	1,09,98,069	14.6	2.6
Domestic Deposits	1,23,87,130	1,25,74,260	1,33,11,370	1,33,87,420	1,39,49,990	12.6	4.2
Overseas Deposits	10,86,337	11,20,387	12,57,462	12,89,133	13,29,229	22.4	3.1
Total Deposits	1,34,73,467	1,36,94,647	1,45,68,832	1,46,76,553	1,52,79,219	13.4	4.1

Source: Company, BOBCAPS Research

Fig 18 – Deposits distribution

(%)	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY	QoQ
Domestic CASA Deposits	31.3	30.0	31.2	29.6	30.7	(58bps)	113bps
CASA Deposits	28.7	27.5	28.5	27.0	28.0	(73bps)	106bps
Term Deposits	71.3	72.5	71.5	73.0	72.0	73bps	(106bps)
Domestic Deposits	91.9	91.8	91.4	91.2	91.3	(64bps)	8bps
Overseas Deposits	8.1	8.2	8.6	8.8	8.7	64bps	(8bps)
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 during this quarter, except for CASA & NIMs, which remain a challenge for the banking industry. NIMs and CASA (Domestic CASA to Domestic Deposit) were 2.52%/30.69% in Q2FY26 vs management guidance of 2.75-2.8% / 32%.
- Management guided for FY26 business growth of 10.5%, with Q2FY26 already achieving 13.55%.
- Management guided for loan/deposit growth of 10-11%/ 9-10% for FY26. In Q2FY26, advances and deposits growth came in at 13.74% YoY and 13.4% YoY, respectively.
- Management achieved its GNPA/NNPA target of 2.5%/0.6% and a PCR of 93%. In Q2FY26 GNPA/NNPA stood at 2.35%/0.54% while PCR stood at 93.59%. Also restricted its slippages to 0.76% vs guidance of 0.9% for FY26.

Asset quality

- Asset quality continued to improve with GNPA at 2.35% (down 138bps YoY and 34bps QoQ). NNPA ratio stood at 0.54% (down 45bps YoY and 9bps QoQ) in Q2FY26.
- Credit cost improved and was 68 bps vs. 72bps in Q1FY26. The company 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 20.3bn vs Rs 21.3bn in Q1FY26 with ~Rs 9bn from MSME, ~Rs 7.5 bn from agriculture, and ~Rs 3.5bn from retail segments.
- Slippage ratio stood at 0.76% vs guidance of 0.9%.
- Recoveries, including recovery in written-off accounts, stood at Rs 25.5 vs. Rs 19.2 in Q1FY26.
- In Q2FY26, the bank made an additional standard provision of Rs 3.8bn taken as a precautionary measure against a drinking water project account of Telangana, which often appeared in SMA category.

Profitability

- Quarterly NIMs were at 2.50%, down by 36bps YoY and 5bps QoQ.
- Around 45–46% of the loan book is repo-linked, causing immediate transmission of rate cuts, while 90% of deposits are 1Y term deposits that reprice over 9–12 months; if market conditions stay favourable and no further rate cuts occur, NIMs could recover to 2.9%–3.0% levels.
- The bank will recognise one-time gain of Rs 19.35bn (net of expenses) in Q3FY26 from the divestment of stake in its subsidiaries (Canara Robeco Asset Management Company Ltd and Canara HSBC Life Insurance Company Ltd).

- PSLC sales contributed Rs 9.0bn in Q2, with an additional Rs 250bn surplus available for sale, providing flexibility to benefit from favourable market conditions.
- Strategic priorities include scaling Canara Bank Securities through technology investments to strengthen capital market offerings and CASA mobilisation, while also developing in-house M&A financing capabilities to actively participate in acquisition funding from the next quarter.
- Total income was up 13% YoY & 1% QoQ, aided by other income that grew by 42% YoY and flat QoQ.

Advances and Deposits

- Domestic advances grew by 13.3% YoY. RAM grew 17% YoY. Within RAM, retail credit increased 29.1%, agriculture & allied up 9.6% YoY and MSME up by 12.7% YoY.
- The bank targets a 60:40 RAM-to-Corporate portfolio mix over the next 12–18 months.
- Net advances were healthy with a 14.8% YoY (+5.3% QoQ) growth. On a gross book basis, RAM grew by 17% YoY (+6.4% QoQ) and corporate book by 9.5% YoY (+3.1% QoQ). Retail book rose 29% YoY (+6.7% QoQ). Management foresees gross loan advances growth of 10–11%, as of Mar'26.
- MSME growth is expected to exceed 15% by year-end (from 12.7% in Q2FY26), while corporate growth is guided at 10–11%, with a focus on profitability over volume.
- The gold loan book crossed Rs 2.11 trn, positioning the bank as a market leader. The segment delivers attractive returns of 8.75–8.8%, benefits from lower capital intensity and higher security, supported by strong processes and monitoring infrastructure.
- CASA deposits saw a strong uptick in Q2FY26 where it grew 11% YoY & 8% QoQ, supported by CA deposits growth 63% YoY & 40% QoQ due to institutional deposits coming in.
- CASA ratio improved to 28% vs 27% in Q1FY26. Management indicated that it plans to improve CASA ratio and guided for 32% as of Mar'26.
- The bank plans to deepen CASA growth by tapping underserved segments such as farmers and gig workers, while expanding niche offerings like True Edge One CASA for NGOs and societies.

Network

- The bank has 9,948 branches, of which 3,165 are rural, 2,954 semi urban, 1,957 urban and 1,872 metro, along with 7,405 ATMs.
- The bank also has 4 overseas branches in London, New York, Dubai and IBU Gift City.

Valuation Methodology

Considering Canara Bank's performance vs its guidance, along with improving AQ, we believe the bank has levers to perform well. We expect CBK to report RoA/RoE of ~1.1/17.7% during FY26-FY28E. We maintain BUY and roll over valuation to 1.0x Sep'27E ABV with revised TP of Rs 159 (from Rs 131).

Fig 19 – Actuals vs BOBCAPS estimates

(Rs mn)	Q2FY26A	Q2FY26E	Actual vs. Estimates
Loan	1,13,01,139	1,10,22,111	2.5
Deposits	1,52,79,219	1,50,22,915	1.7
Assets	1,76,48,849	1,76,33,823	0.1
NII	91,412	89,252	2.4
PPOP	85,881	74,114	15.9
Provision	23,542	22,700	3.7
PAT	47,740	38,355	24.5

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	1,18,23,977	1,33,37,446	1,50,71,314	1,16,45,621	1,29,84,867	1,45,43,051	1.53	2.72	3.63
Deposits	1,60,98,559	1,78,05,006	1,97,27,947	1,59,52,871	1,75,32,205	1,93,38,022	0.91	1.56	2.02
Assets	1,88,40,142	2,10,35,611	2,36,22,185	1,86,28,126	2,05,87,042	2,29,41,109	1.14	2.18	2.97
NII	3,97,068	4,69,124	5,62,795	3,98,345	4,61,057	5,33,919	(0.32)	1.75	5.41
PPOP	3,64,472	4,13,399	4,70,302	3,38,744	3,99,819	4,58,808	7.60	3.40	2.51
Provision	94,841	1,19,517	1,40,623	1,05,152	1,35,468	1,58,286	(9.81)	(11.77)	(11.16)
PAT	2,00,336	2,18,354	2,44,951	1,73,559	1,96,413	2,23,288	15.43	11.17	9.70
ABV (Rs)	120	139	161	117	133	151	2.75	4.85	6.77

Source: Company, BOBCAPS Research

Fig 21 – Key operational assumptions

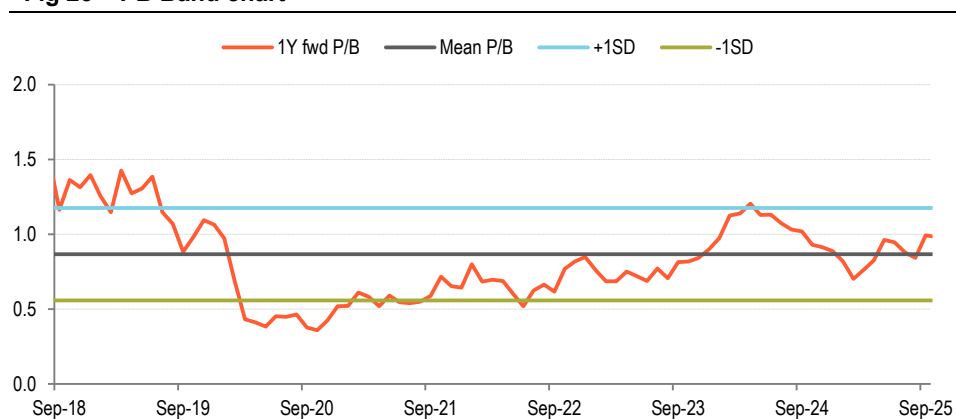
(%)	FY25	FY26E	FY27E	FY28E
Advances Growth	12.6	12.7	12.8	13.0
Net Interest Income Growth	1.4	7.1	18.1	20.0
PPoP Growth	6.7	16.1	13.4	13.8
PAT Growth	17.0	17.7	9.0	12.2
NIM	2.8	2.6	2.8	3.0
GNPA	2.9	2.6	2.3	2.2
CAR	16.3	16.6	16.9	17.2

Source: Company, BOBCAPS Research

Fig 22 – Valuation assumptions

Gordon Growth Model	(%)
Return on Equity (RoE)	14.6
Cost of Equity (Ke)	14.7
Growth (Period 1)	13.1
Growth (Long Term)	5.1
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	6.3
Justified P/BV (x)	1.0

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	3,97,068	4,69,124	5,62,795
NII growth (%)	16.3	1.4	7.1	18.1	20.0
Non-interest income	1,89,664	2,24,528	2,68,139	2,89,099	3,01,440
Total income	5,55,324	5,95,248	6,65,207	7,58,223	8,64,235
Operating expenses	2,61,198	2,81,345	3,00,735	3,44,824	3,93,933
PPOP	2,94,126	3,13,903	3,64,472	4,13,399	4,70,302
PPOP growth (%)	6.1	6.7	16.1	13.4	13.8
Provisions	97,076	87,636	94,841	1,19,517	1,40,623
PBT	1,97,050	2,26,267	2,69,631	2,93,882	3,29,678
Tax	51,507	56,000	69,295	75,528	84,727
Reported net profit	1,45,543	1,70,267	2,00,336	2,18,354	2,44,951
Adjustments	0	0	0	0	0
Adjusted net profit	1,45,543	1,70,267	2,00,336	2,18,354	2,44,951

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	11,40,053	13,17,037	15,19,295
Net worth	8,69,546	9,99,001	11,58,194	13,35,179	15,37,437
Deposits	1,31,23,666	1,45,68,832	1,60,98,559	1,78,05,006	1,97,27,947
Borrowings	5,75,923	8,96,651	9,95,283	11,64,481	13,62,443
Other liab. & provisions	3,46,272	3,64,012	5,88,106	7,30,946	9,94,359
Total liab. & equities	1,49,15,407	1,68,28,496	1,88,40,142	2,10,35,611	2,36,22,185
Cash & bank balance	15,07,597	20,53,402	22,38,720	24,41,057	27,02,373
Investments	35,74,544	38,03,434	42,32,712	46,52,169	51,67,724
Advances	93,16,128	1,04,91,550	1,18,23,977	1,33,37,446	1,50,71,314
Fixed & Other assets	5,17,137	4,80,110	5,44,733	6,04,939	6,80,774
Total assets	1,49,15,407	1,68,28,496	1,88,40,142	2,10,35,611	2,36,22,185
Deposit growth (%)	11.3	11.0	10.5	10.6	10.8
Advances growth (%)	12.2	12.6	12.7	12.8	13.0

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS	3.2	18.8	22.1	24.1	27.0
Dividend per share	0.6	4.0	4.5	4.6	4.7
Book value per share	19.2	110.1	127.7	147.2	169.5

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	41.4	7.1	6.0	5.5	4.9
P/BV	6.9	1.2	1.0	0.9	0.8
Dividend yield (%)	0.5	3.0	3.4	3.4	3.5

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	2.6	2.3	2.2	2.4	2.5
Non-interest income	1.3	1.4	1.5	1.5	1.4
Operating expenses	1.8	1.8	1.7	1.7	1.8
Pre-provisioning profit	2.1	2.0	2.0	2.1	2.1
Provisions	0.7	0.6	0.5	0.6	0.6
PBT	1.4	1.4	1.5	1.5	1.5
Tax	0.4	0.4	0.4	0.4	0.4
ROA	1.0	1.1	1.1	1.1	1.1
Leverage (x)	17.7	17.0	16.5	16.0	15.5
ROE	18.1	18.2	18.6	17.5	17.1

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Net interest income	16.3	1.4	7.1	18.1	20.0
Pre-provisioning profit	6.1	6.7	16.1	13.4	13.8
EPS	37.3	484.9	17.7	9.0	12.2
Profitability & Return ratios (%)					
Net interest margin	3.1	2.8	2.6	2.8	3.0
Fees / Avg. assets	0.0	0.0	0.0	0.0	0.0
Cost-Income	47.0	47.3	45.2	45.5	45.6
ROE	18.1	18.2	18.6	17.5	17.1
ROA	1.0	1.1	1.1	1.1	1.1
Asset quality (%)					
GNPA	4.2	2.9	2.6	2.3	2.2
NNPA	1.3	0.7	0.6	0.5	0.5
Slippage ratio	1.3	0.9	1.2	1.1	1.1
Credit cost	1.1	0.9	0.9	1.0	1.0
Provision coverage	69.6	75.9	76.1	76.5	76.5
Ratios (%)					
Credit-Deposit	71.0	72.0	73.4	74.9	76.4
Investment-Deposit	27.2	26.1	26.3	26.1	26.2
CAR	16.3	16.3	16.6	16.9	17.2
Tier-1	14.0	14.4	14.6	14.9	15.2

Source: Company, BOBCAPS Research

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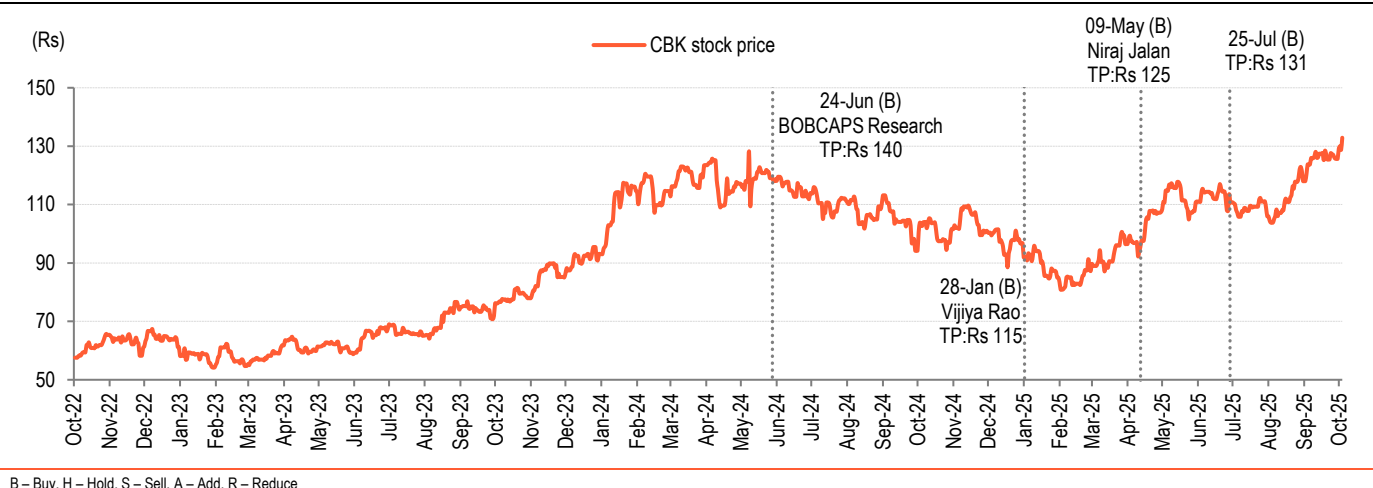
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