

Bloomberg	CBK IN
Equity Shares (m)	9071
M.Cap.(INRb)/(USDb)	1363.5 / 14.8
52-Week Range (INR)	161 / 79
1, 6, 12 Rel. Per (%)	2/34/54
12M Avg Val (INR M)	3293

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	370.7	369.8	434.9
OP	313.9	346.7	363.8
NP	170.3	192.3	197.8
NIM (%)	2.4	2.2	2.3
EPS (INR)	18.8	21.2	21.8
EPS Gr. (%)	17.0	12.9	2.9
BV/Sh. (INR)	106	119	132
ABV/Sh. (INR)	99	113	126
RoA (%)	1.1	1.1	1.0
RoE (%)	19.9	19.3	17.8
Valuations			
P/E (x)	8.0	7.1	6.9
P/BV (x)	1.4	1.3	1.1
P/ABV (x)	1.5	1.3	1.2

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	62.9	62.9	62.9
DII	10.5	12.2	11.7
FII	14.6	11.9	11.1
Others	12.0	12.9	14.2

CMP: INR150

TP: INR175 (+16%)

Buy

NII inline; stake sale gains drive earnings beat

NIMs contracted 5bp QoQ to 2.45%

- Canara Bank (CBK) reported 3QFY26 standalone PAT at INR51.6b (26% YoY/ 8% QoQ, 15% higher than MOFSLe) amid stake sale gains, which resulted in pre-tax profit of INR19.3b.
- NII stood flat at 1% YoY/ 1% QoQ, reaching INR92.5b (largely in line). Margins moderated 5bp QoQ to 2.45% vs our est. of 2.48%.
- Loan book grew 15% YoY/ 4% QoQ to INR11.7t, while deposits grew 12.9% YoY/1.4% QoQ to INR15.2t. CASA deposits grew 9.3% YoY/declined 3.7% QoQ. As a result, CASA ratio moderated 117bp QoQ to 29.5%.
- Slippages declined to INR18.9b (INR21b in 2QFY26). GNPA/NNPA ratio, thus, improved 27bp/9bp QoQ to 2.08%/0.45%, respectively. PCR improved to 78.6% (up 118bp QoQ).
- **We fine-tune our earnings estimates and project CBK to deliver FY27E RoA/RoE of 1.03%/17.8%. Reiterate BUY with a revised TP of INR175 (based on 1.2x Sep'27E ABV+ INR12 for subs).**

Business growth healthy; asset quality improves

- 3Q PAT grew 26% YoY to INR51.6b (15% beat), amid stake sale gains (pre-tax: INR19.3b). NII stood flat at 1% YoY/ 1% QoQ, reaching INR92.5b (largely in line). Margins moderated 5bp QoQ to 2.45% vs our est. of 2.48%.
- Other income grew 36% YoY/12% QoQ to INR78.9b (18% higher than MOFSLe), amid stake sale gains of Can AMC and Can HSBC Life. Total revenue, thus, grew 15% YoY (6% beat).
- Operating expenses grew 13% YoY/5.6% QoQ to INR80.3b (4% higher) due to two one-off items: IPO-related expenses of INR0.8b and employee benefit expenses of INR0.8b. Additionally, the bank recognized INR1b in technology-related expenses. Thus, C/I ratio stood at 46.8% in 3QFY26. PPoP grew 16% YoY/6% QoQ to INR 91.2b (7% beat). Provisions came in at INR24.1b (in line, up 2.6% QoQ).
- Loan book grew by a healthy 14.6% YoY/3.8% QoQ, led by robust growth in the retail segment at 31% YoY/8.8% QoQ. Within this, vehicle loans grew 26% YoY/7.4% QoQ. Deposits grew 12.9% YoY/1.4% QoQ to INR15.2t. CASA deposits grew 9.3% YoY/declined 3.7% QoQ. As a result, CASA ratio moderated 117bp QoQ to 29.5%. CD ratio increased to 77.1%.
- Slippages declined to INR18.9b (INR21b in 2QFY26). GNPA/NNPA ratio, thus, improved 27bp/9bp QoQ to 2.08%/0.45%, respectively. PCR improved to 78.6% (up 118bp QoQ).
- Reported credit cost stood at 0.64%. SMA book increased to 0.69% in 3QFY26 from 0.65% in 2QFY26. SMA-1 increased due to the Kaleshwaram irrigation project being classified under SMA-1; however, the bank does not expect this to slip further.

Highlights from the management commentary

- Stage 1 and Stage 3 exposures have a similar impact under ECL. The total transition impact of ECL across Stage 1, 2, and 3 is estimated at INR100b.
- The bank is comfortable with the transition, supported by improving slippage trends. The total SMA book stands at INR356.04b, while the slippage ratio at 0.64% is among the best in the industry.
- NIMs remain lower than peers due to repo rate cuts and the fact that 49% of the loan book is repo-linked. Consequently, yields declined 6bp, while the cost of funds reduced 4bp. With improving CASA and RAM growth, the bank expects to manage NIMs better.
- Slippages during the quarter stood at INR19b, comprising INR7.89b from agriculture, INR7.39b from MSME, and INR2.94b from retail, with no slippages from corporate accounts.

Valuation and view

CBK reported a mixed quarter with net earnings reporting a beat led by stake sale gains of INR19.35b, while margins contracted 5bp QoQ. NII stood in line, and the bank believes that NIM is close to bottoming out. Loan growth was healthy, driven by robust growth in the retail segment, while deposit growth was modest, with the CASA ratio moderating slightly. Asset quality improved, with slippages too witnessing a reduction, leading to a controlled credit cost for the bank. CBK expects the ECL transition impact to be ~INR100b across stages 1,2 and 3. **We fine-tune our earnings estimates and project CBK to deliver FY27E RoA/ RoE of 1.03%/17.8%.** Reiterate **BUY** with a revised TP of INR175 (based on 1.2x Sep'27E ABV+ INR12 for subs).

Quarterly Performance										(INR b)		
	FY25				FY26E				FY25	FY26E	FY26E	V/S our 3QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Interest Income	91.7	93.2	91.5	94.4	90.1	91.4	92.5	95.7	370.7	369.8	95.6	(3)
% Change (Y-o-Y)	5.8	4.6	-2.9	-1.4	-1.7	-1.9	1.1	1.4	1.4	-0.3	4.5	
Other Income	53.2	49.8	58.0	63.5	70.6	70.5	79.0	69.5	224.5	289.6	66.8	18
Total Income	144.9	143.0	149.5	157.9	160.7	162.0	171.5	165.2	595.2	659.4	162.4	6
Operating Expenses	68.7	66.4	71.1	75.1	75.2	76.1	80.3	81.2	281.3	312.7	77.4	4
Operating Profit	76.2	76.5	78.4	82.8	85.5	85.9	91.2	84.0	313.9	346.7	84.9	7
% Change (Y-o-Y)	0.2	0.5	15.2	12.1	12.3	12.2	16.4	1.5	6.7	10.4	8.4	
Other Provisions	22.8	22.5	24.0	18.3	23.5	23.5	24.1	23.2	87.6	94.4	24.9	(3)
Profit before Tax	53.3	54.0	54.4	64.5	62.0	62.3	67.1	60.9	226.3	252.3	60.0	12
Tax	14.3	13.9	13.3	14.5	14.5	14.6	15.5	15.4	56.0	60.0	15.3	2
Net Profit	39.1	40.1	41.0	50.0	47.5	47.7	51.6	45.4	170.3	192.3	44.8	15
% Change (Y-o-Y)	10.5	11.3	12.3	33.1	21.7	18.9	25.6	-9.2	17.0	12.9	9.1	

Operating Parameters

Deposit (INR b)	13,352	13,473	13,469	14,569	14,677	15,003	15,213	15,909	14,569	15,909	15,562
Loan (INR b)	9,464	9,840	10,237	10,492	10,736	11,301	11,728	11,918	10,492	11,918	11,541
Deposit Growth (%)	12.0	9.3	6.6	11.0	9.9	11.4	12.9	9.2	11.0	9.2	13.6
Loan Growth (%)	10.7	10.3	11.2	12.6	13.4	14.8	14.6	13.6	12.6	13.6	12.7

Asset Quality

Gross NPA (%)	4.1	3.7	3.3	2.9	2.7	2.5	2.1	2.0	2.9	2.0	2.3
Net NPA (%)	1.2	1.0	0.9	0.7	0.6	0.6	0.5	0.4	0.7	0.4	0.5
PCR (%)	71.0	74.1	74.1	76.7	77.1	77.4	78.6	78.4	76.6	78.4	77.2

E: MOFSL Estimates

INR b	FY25				FY26			Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY	QoQ
Profit and Loss									
Net Interest Income	91.7	93.2	91.5	94.4	90.1	91.4	92.5	1.1	1.2
Other Income	53.2	49.8	58.0	63.5	70.6	70.5	79.0	36.1	12.0
Total Income	144.9	143.0	149.5	157.9	160.7	162.0	171.5	14.7	5.9
Operating Expenses	68.7	66.4	71.1	75.1	75.2	76.1	80.3	12.9	5.6
Employee	42.3	43.6	44.8	47.8	48.0	48.2	49.0	9.5	1.7
Operating Profits	76.2	76.5	78.4	82.8	85.5	85.9	91.2	16.4	6.2
Core Operating Profits	72.7	69.9	68.9	75.7	69.4	73.7	65.3	-5.3	-11.4
Provisions	22.8	22.5	24.0	18.3	23.5	23.5	24.1	0.7	2.6
PBT	53.3	54.0	54.4	64.5	62.0	62.3	67.1	23.3	7.6
Taxes	14.3	13.9	13.3	14.5	14.5	14.6	15.5	16.2	6.2
PAT	39.1	40.1	41.0	50.0	47.5	47.7	51.6	25.6	8.0
Balance sheet (INR b)									
Loans	9,464	9,840	10,237	10,492	10,736	11,301	11,728	14.6	3.8
Deposits	13,352	13,473	13,469	14,569	14,677	15,003	15,213	12.9	1.4
CASA Deposits	3,814	3,873	3,772	4,150	3,957	4,281	4,124	9.3	-3.7
- Savings	3,322	3,407	3,297	3,371	3,417	3,522	3,577	8.5	1.6
- Current	492	466	475	778	540	759	546	14.9	-28.1
Loan mix (%)									
Agriculture & Allied	24.7	24.0	23.2	23.0	22.7	23.1	22.6	-58	-48
MSME	13.8	13.5	13.5	13.0	13.4	13.4	13.5	2	11
Retail	18.0	19.2	19.8	20.8	21.5	21.8	22.9	310	111
Corporate and others	43.4	43.3	43.5	43.2	42.5	41.7	41.0	-254	-74
Asset Quality									
GNPA	403.6	377.3	350.6	315.3	295.2	270.4	248.3	-29.2	-8.2
NNPA	117.0	97.8	90.8	73.5	67.7	61.1	53.2	-41.4	-12.9
Slippages	33.4	56.8	81.5	108.5	130.1	151.2	170.2	108.9	12.6
Asset Quality Ratios	1Q	2Q	3Q	4Q	1Q	2Q	3Q	YoY (bp)	QoQ (bp)
GNPA (%)	4.1	3.7	3.3	2.9	2.7	2.4	2.1	-126	-27
NNPA (%)	1.2	1.0	0.9	0.7	0.6	0.5	0.5	-44	-9
PCR (Calculated, %)	71.0	74.1	74.1	76.7	77.1	77.4	78.6	447	118
PCR (inc TWO, %)	89.2	90.9	91.3	92.7	93.2	93.6	94.2	293	60
Slippage Ratio (%)	1.5	1.0	1.0	1.1	0.9	0.9	0.7	-27	-11
Business Ratios									
CASA	31.0	31.3	30.0	31.2	29.6	30.7	29.5	-48	-117
Loan/Deposit	70.9	73.0	76.0	72.0	73.1	75.3	77.1	109	177
Other income/Total Income	36.7	34.8	38.8	40.2	43.9	43.6	46.1	725	250
Cost to Income	47.4	46.5	47.6	47.5	46.8	47.0	46.8	-75	-14
Cost to asset	1.9	1.8	1.9	1.9	1.8	1.8	1.9	2	6
Tax Rate	26.8	25.7	24.5	22.5	23.4	23.4	23.1	-142	-30
Capitalisation Ratios (%)									
Tier-1	14.4	14.6	14.6	14.4	14.6	14.3	14.6	5	32
- CET 1	12.1	12.0	12.0	12.0	12.3	12.2	12.4	40	16
CAR	16.4	16.6	16.4	16.3	16.5	16.2	16.5	6	30
Profitability Ratios									
Yield on loans	8.7	8.8	8.8	8.8	8.5	8.4	8.3	-45	-6
Yield On Funds	7.7	7.7	7.7	7.7	7.4	7.3	7.3	-38	-5
Cost of Funds	5.3	5.3	5.3	5.3	5.3	5.2	5.2	-10	-3
Cost of Deposits	5.7	5.7	5.7	5.7	5.7	5.7	5.6	-8	-4
NIMs	2.9	2.9	2.7	2.7	2.6	2.5	2.5	-26	-5
Other Details									
Branches	9,623	9,658	9,816	9,849	9,861	9,948	10,066	250	118
ATMs	10,014	9,881	9,715	9,579	7,907	7,405	7,048	(2,667)	(357)

Source: MOFSL, Company



Highlights from the management commentary

Opening remarks

- Global business grew 13.23% YoY, with global deposits up 12.95% YoY and global advances increasing 13.59% YoY.
- RoA improved 9bp to 1.13%, while credit cost declined 4bp QoQ to 0.64%.
- CET-1 ratio strengthened 40bp YoY, and slippages declined 32bp QoQ.

Advances and deposits

- SA book continues to grow at a healthy pace and is outperforming peers, while the CA book declined due to one specific account.
- The bank rolled back certain products in metro and urban centers, following which gold loan growth has picked up meaningfully.
- Retail loan growth during the quarter was entirely organic, with no buyouts undertaken.
- The bank continues to grow in line with its earlier guidance of 10-11% and maintains its growth aspiration.
- Borrowings increased marginally during the quarter due to the issuance of AT-1 bonds and refinancing from NABARD and SIDBI.
- In 2Q, the bank received INR260b in the CA book, which led to volatility in CA balances during the current quarter.
- A reclassification of overseas deposits as borrowings resulted in a reduction of INR330b in reported deposits.

Yields and margins

- NIMs remain lower than peers due to repo rate cuts and the fact that 49% of the loan book is repo-linked. Consequently, yields declined 6bp, while cost of funds reduced 4bp. With improving CASA and RAM growth, the bank expects to manage NIMs better.
- Only 15% of deposits remain pending repricing.
- The bank believes NIMs are close to bottoming out, supported by OMOs and systemic liquidity infusion.
- Recoveries contributed approximately INR3.7b to interest income during the quarter.
- Retail yields stood at 8.7%, RAM yields at 8.88%, and vehicle finance yields at 8.5%.
- NIMs were impacted by slower CASA growth, with average CASA at 30%. The bank remains focused on improving this ratio.

Other income and opex

- PSCL income is typically recognized in the first quarter and ranges between INR12b and INR13b. The bank earned INR9b in 1Q and INR1.4b in 2Q and expects to recognize PSCL income again in 4Q.
- No material change in PSCL income is expected in FY27.
- Opex included two one-off items: IPO-related expenses of INR0.8b and employee benefit expenses of INR0.8b. Additionally, the bank recognized INR1b in technology-related expenses.
- The bank offloaded stakes in Can HSBC and Can Robeco, resulting in gains from these subsidiaries being recorded under other income.

Asset quality

- SMA-1 increased due to the Kaleshwaram irrigation project being classified under SMA-1; however, the bank does not expect this to slip further as it has remained in SMA.
- The total written-off book stands at INR660b, with the bank targeting recoveries of INR20b annually.
- Recoveries from written-off accounts are evenly split between retail and wholesale, with retail contributing around INR10b.
- Certain accounts aggregating INR19.56b are under monitoring, though no immediate risk is perceived.
- Total slippages during the quarter stood at INR19b, comprising INR7.89b from agriculture, INR7.39b from MSME, and INR2.94b from retail, with no slippages from corporate accounts.

ECL draft guidelines related

- Stage 1 and Stage 3 exposures have a similar impact under ECL. The total transition impact of ECL across Stage 1, 2, and 3 is estimated at INR100b.
- The bank is comfortable with the transition, supported by improving slippage trends. The total SMA book stands at INR356.04b, while the slippage ratio at 0.64% is among the best in the industry.
- ECL requirements are expected to moderate over time, and even post ECL implementation, the CET-1 ratio is expected to remain above 11%. The bank does not foresee any material impact, as quarterly profits are sufficient to absorb the transition impact.

Miscellaneous

- The bank's LCR stood at 125%.
- The bank is adequately capitalized to support double-digit growth going forward and, therefore, does not see a need for raising capital in the near term.

Story in charts

Exhibit 1: Loan book grew ~14.6% YoY (up 3.8% QoQ)

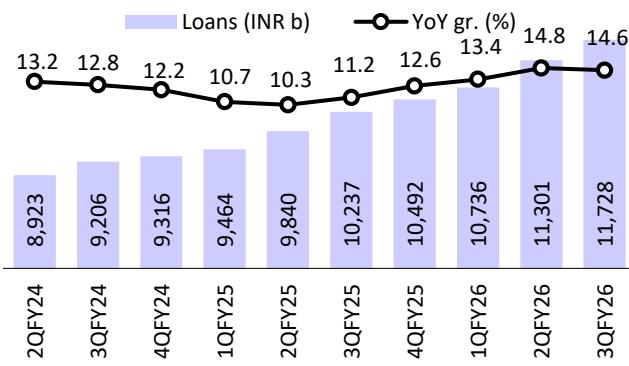


Exhibit 2: Deposits grew 12.9% YoY (up 1.4% QoQ)

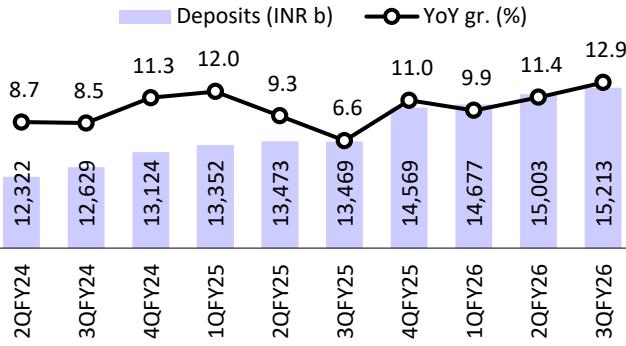


Exhibit 3: NIM contracted 5bp QoQ to 2.45%

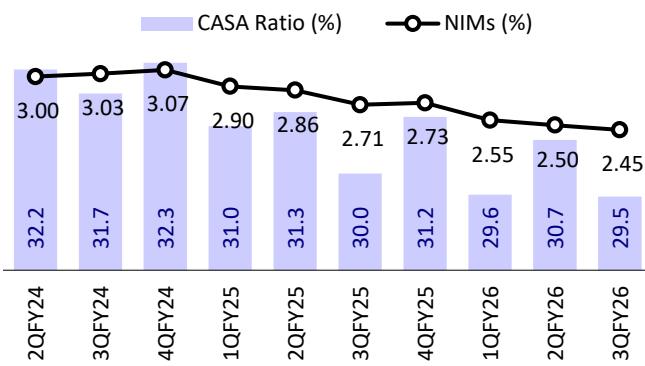


Exhibit 4: Yield on advances declined 6bp QoQ to 8.3%

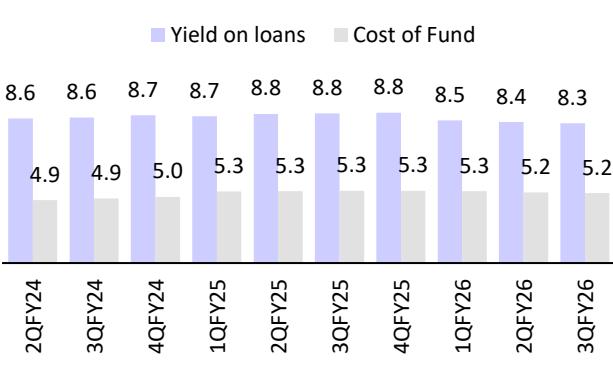


Exhibit 5: C/I ratio moderated 14bp QoQ to 46.8%

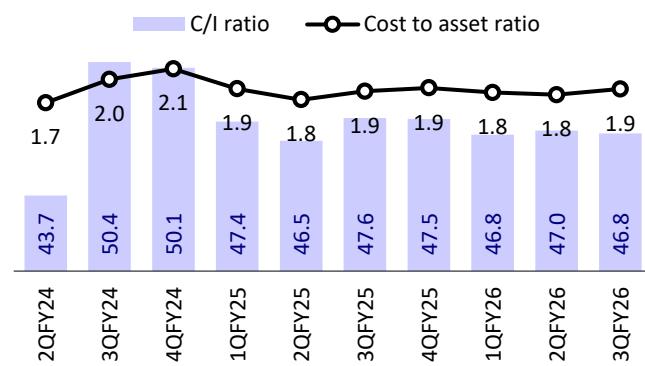


Exhibit 6: C/D ratio increased 177bp QoQ to 77.1%

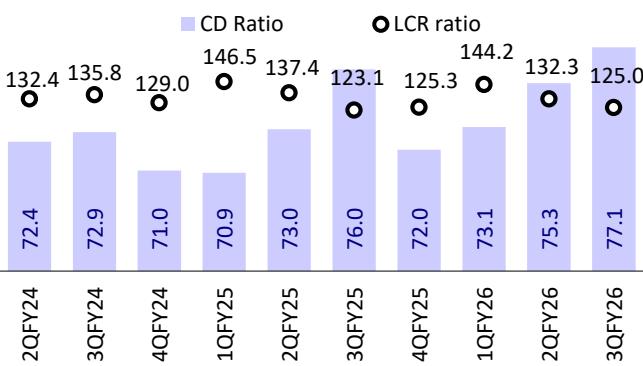
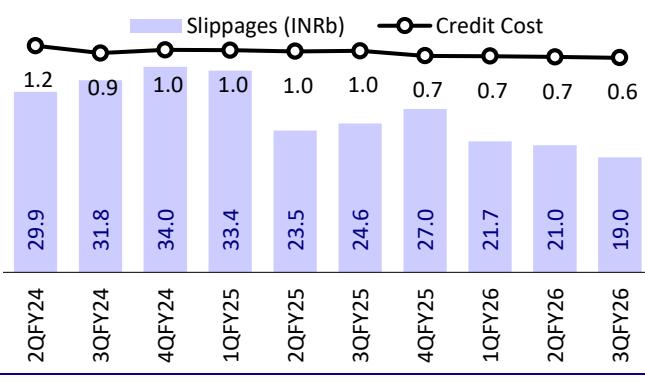
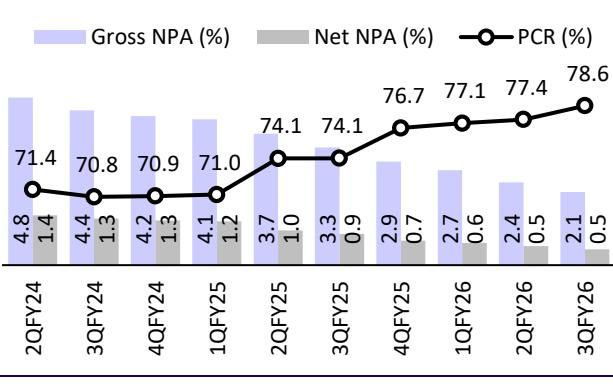


Exhibit 7: Slippages (fresh + existing) declined to INR19b



Source: MOFSL, Company

Exhibit 8: GNPA/NNPA ratios improved 27bp/9bp QoQ



Source: MOFSL, Company

Valuation and view: Reiterate BUY with a revised TP of INR175

- CBK reported a mixed quarter, where earnings beat was led by stake sale gains of INR19.35b. NII stood in line, with margins moderating 5bp QoQ, and the bank believes that NIM is close to bottoming out. Loan growth was healthy and driven by robust growth in the retail segment, while deposit growth was modest with CASA ratio moderating. Asset quality improved, with slippages too witnessing a reduction, leading to a controlled credit cost for the bank. The bank expects the ECL transition impact to be ~INR100b across stages 1,2, and 3. **We fine-tune our earnings estimates and project CBK to deliver FY27E RoA/RoE of 1.03%/17.8%. Reiterate BUY with a revised TP of INR175 (based on 1.2x Sep'27E ABV+ INR12 for subs).**

Exhibit 9: Changes in earnings estimates

INR b	Old Est			Rev Est			Change (%)		
	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26E	FY27E	FY28E
Net Interest Income	376.3	436.6	501.7	369.8	434.9	506.7	-1.7	-0.4	1.0
Other Income	280.7	261.0	287.1	289.6	269.4	296.3	3.2	3.2	3.2
Total Income	657.0	697.6	788.8	659.4	704.3	803.0	0.4	1.0	1.8
Operating Expenses	309.6	338.2	371.6	312.7	340.5	373.1	1.0	0.7	0.4
Operating Profits	347.3	359.4	417.1	346.7	363.8	429.9	-0.2	1.2	3.1
Provisions	95.8	97.6	120.8	94.4	101.7	131.7	-1.5	4.2	9.0
PBT	251.6	261.8	296.4	252.3	262.0	298.2	0.3	0.1	0.6
Tax	61.4	64.9	73.5	60.0	64.2	73.1	-2.2	-1.1	-0.6
PAT	190.2	196.8	222.9	192.3	197.8	225.2	1.1	0.5	1.0
Loans	11,803	13,101	14,556	11,918	13,325	14,857	1.0	1.7	2.1
Deposits	15,967	17,452	19,145	15,909	17,389	19,075	-0.4	-0.4	-0.4
Margins (%)	2.20	2.33	2.44	2.16	2.32	2.46	-1.6	-0.3	0.9
Credit Cost (%)	0.86	0.78	0.87	0.84	0.81	0.93	-2.0	2.8	7.0
RoA (%)	1.08	1.02	1.05	1.09	1.03	1.07	1.3	0.8	1.3
RoE (%)	19.2	17.8	18.5	19.3	17.8	18.6	1.0	0.3	0.7
BV	119	131	141	119	132	141	0.2	0.3	0.4
ABV	113	124	133	113	126	135	0.8	1.0	1.6
EPS	21	22	25	21	22	25	1.1	0.5	1.0

Source: MOFSL, Company

Exhibit 10: One-year forward P/B ratio

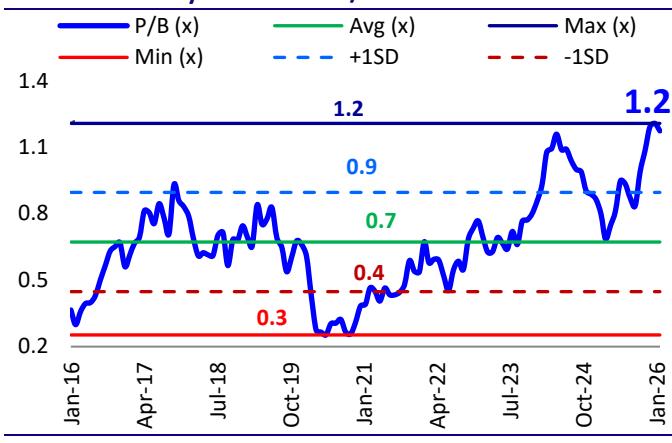


Exhibit 11: One-year forward P/E ratio

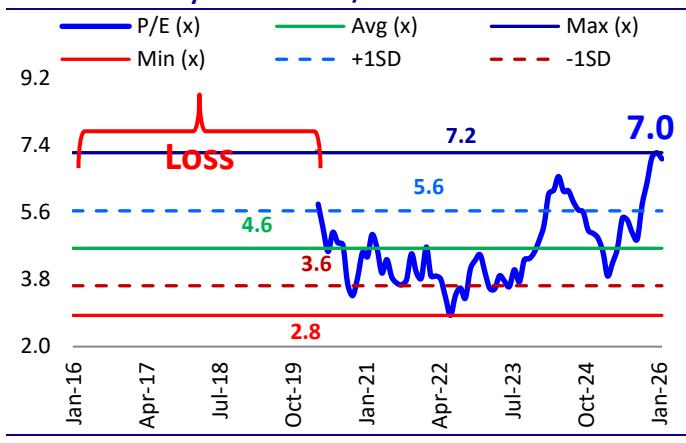


Exhibit 12: DuPont analysis

Y/E MARCH	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	6.56	7.66	7.55	7.11	7.17	7.25
Interest Expense	4.12	5.08	5.21	5.01	4.91	4.85
Net Interest Income	2.44	2.58	2.34	2.10	2.25	2.40
Non Interest income	1.46	1.34	1.41	1.64	1.40	1.40
Total Income	3.90	3.91	3.75	3.74	3.65	3.80
Operating Expenses	1.75	1.84	1.77	1.77	1.76	1.76
Employee cost	1.07	1.16	1.13	1.12	1.12	1.11
Other operating expenses	0.68	0.68	0.65	0.65	0.64	0.65
Operating Profits	2.15	2.07	1.98	1.97	1.88	2.03
Core operating Profits	2.01	1.96	1.81	1.84	1.75	1.89
Provisions	1.05	0.68	0.55	0.54	0.53	0.62
PBT	1.10	1.39	1.43	1.43	1.36	1.41
Tax	0.28	0.36	0.35	0.34	0.33	0.35
RoA	0.82	1.03	1.07	1.09	1.02	1.07
Leverage (x)	18.42	17.67	16.99	16.66	16.44	16.60
RoE	15.18	18.13	18.22	18.16	16.85	17.68

Source: MOFSL, Company

Financials and Valuations

Income Statement						(INR b)
Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	844.2	1,086.9	1,197.6	1,254.0	1,383.6	1,532.0
Interest Expense	529.9	721.2	826.8	884.2	948.7	1,025.2
Net Interest Income	314.4	365.7	370.7	369.8	434.9	506.7
- growth (%)	19.1	16.3	1.4	-0.3	17.6	16.5
Non Interest Income	187.6	189.7	224.5	289.6	269.4	296.3
Total Income	502.0	555.3	595.2	659.4	704.3	803.0
- growth (%)	17.1	10.6	7.2	10.8	6.8	14.0
Operating Expenses	224.8	261.2	281.3	312.7	340.5	373.1
Pre Provision Profits	277.2	294.1	313.9	346.7	363.8	429.9
- growth (%)	13.4	6.1	6.7	10.4	4.9	18.2
Core PPoP	258.2	277.9	287.2	324.3	338.0	400.3
- growth (%)	18.2	7.6	3.4	12.9	4.2	18.4
Provisions	135.4	97.1	87.6	94.4	101.7	131.7
Exceptional Item	0.0	0.0	0.0	NA	NA	NA
PBT	141.7	197.0	226.3	252.3	262.0	298.2
Tax	35.7	51.5	56.0	60.0	64.2	73.1
Tax Rate (%)	25.2	26.1	24.7	23.8	24.5	24.5
PAT	106.0	145.5	170.3	192.3	197.8	225.2
- growth (%)	86.7	37.3	17.0	12.9	2.9	13.8
Balance Sheet						
Y/E March	FY23	FY24	FY25	FY26E	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	1,100.0	1,211.6	1,299.1
Net Worth	736.1	869.5	999.0	1,118.1	1,229.8	1,317.3
Deposits	11,792.2	13,123.7	14,568.8	15,909.2	17,388.7	19,075.4
- growth (%)	8.5	11.3	11.0	9.2	9.3	9.7
- CASA Deposits	3,665.8	3,924.1	4,150.5	4,327.3	4,921.0	5,512.8
- growth (%)	-0.6	7.0	5.8	4.3	13.7	12.0
Borrowings	580.9	575.9	896.7	997.8	1,088.9	1,184.8
Other Liabilities & Prov.	348.2	346.3	364.0	407.7	456.6	511.4
Total Liabilities	13,457.3	14,915.4	16,828.5	18,432.8	20,164.0	22,088.9
Current Assets	1,414.2	1,507.6	2,053.4	1,927.4	1,940.1	1,985.5
Investments	3,190.4	3,574.5	3,803.4	4,031.6	4,354.2	4,711.2
- growth (%)	13.1	12.0	6.4	6.0	8.0	8.2
Loans	8,306.7	9,316.1	10,491.6	11,918.4	13,324.8	14,857.1
- growth (%)	18.1	12.2	12.6	13.6	11.8	11.5
Fixed Assets	102.3	122.3	102.2	137.4	147.0	157.3
Other Assets	443.7	394.9	378.0	417.9	397.9	377.7
Total Assets	13,457.3	14,915.4	16,828.5	18,432.8	20,164.0	22,088.9
Asset Quality						
GNPA (INR b)	461.6	406.0	315.3	247.6	257.7	271.0
NNPA (INR b)	143.9	118.6	73.8	53.4	53.7	50.8
Slippages (INR b)	119.8	106.3	85.4	112.0	138.8	155.0
GNPA Ratio (%)	5.4	4.2	2.9	2.0	1.9	1.8
NNPA Ratio (%)	1.7	1.3	0.7	0.4	0.4	0.3
Slippage Ratio (%)	1.7	1.3	0.9	1.0	1.5	2.2
Credit Cost (%)	1.3	1.0	1.0	0.8	0.8	0.9
PCR (Excl Tech. write off) (%)	68.8	70.8	76.6	78.4	79.2	81.3

E: MOFSL Estimates

Financials and Valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratios (%)						
Avg. Yield-Earning Assets	6.9	8.0	7.8	7.3	7.4	7.4
Avg. Yield on loans	8.0	8.9	8.9	8.4	8.4	8.4
Avg. Yield on Investments	6.6	6.8	6.8	6.8	6.7	6.6
Avg. Cost-Int. Bear. Liab.	4.3	5.3	5.5	5.4	5.3	5.3
Avg. Cost of Deposits	4.3	5.3	5.5	5.4	5.3	5.3
Interest Spread	2.6	2.6	2.3	1.9	2.0	2.2
Net Interest Margin	2.56	2.68	2.41	2.16	2.32	2.46
Capitalisation Ratios (%)						
CAR	16.7	16.3	16.3	17.1	16.7	18.1
- Tier I	13.8	14.0	14.4	13.9	13.4	14.3
- CET-1	11.6	11.7	12.0	11.4	11.2	12.3
- Tier II	2.9	2.3	2.0	3.2	3.3	3.8
Business Ratios (%)						
Loans/Deposit Ratio	70.4	71.0	72.0	74.9	76.6	77.9
Investment/Deposit Ratio	27.1	27.2	26.1	25.3	25.0	24.7
CASA Ratio	31.1	29.9	28.5	27.2	28.3	28.9
Cost/Assets	1.7	1.8	1.7	1.7	1.7	1.7
Cost/Total Income	44.8	47.0	47.3	47.4	48.3	46.5
Cost/Core Income	46.5	48.5	49.5	49.1	50.2	48.2
Int. Expense/Int.Income	62.8	66.4	69.0	70.5	68.6	66.9
Fee Income/Net Income	33.6	31.2	33.2	40.5	34.6	33.2
Non Int. Inc./Net Income	37.4	34.2	37.7	43.9	38.2	36.9
Empl. Cost/Op. Exps.	61.1	62.9	63.5	63.4	63.4	63.1
Efficiency Ratios (%)						
Employee per branch (in nos)	8.8	8.6	8.3	8.8	8.9	9.0
Staff cost per employee (INR m)	1.6	2.0	2.2	2.3	2.5	2.6
CASA/Branch (INRm)	377.7	408.6	421.4	441.7	497.3	551.6
Deposit/Branch (INRm)	1,214.9	1,366.5	1,479.2	1,623.9	1,757.4	1,908.7
Business per Employee (INR m)	236.5	271.5	308.4	323.7	350.2	379.4
Profit per Employee (INR m)	1.2	1.8	2.1	2.2	2.3	2.5

Profitability and Valuation

RoE	17.1	20.2	19.9	19.3	17.8	18.6
RoA	0.8	1.0	1.1	1.1	1.0	1.1
RoRWA	1.9	2.2	2.3	2.2	2.0	2.3
Book Value (INR)	77	90	106	119	132	141
- growth (%)	13.1	17.9	17.6	12.4	10.3	7.3
Price-BV (x)	2.0	1.7	1.4	1.3	1.1	1.1
Adjusted BV (INR)	64	80	99	113	126	135
Price-ABV (x)	2.3	1.9	1.5	1.3	1.2	1.1
EPS (INR)	11.7	16.0	18.8	21.2	21.8	24.8
- growth (%)	78.1	37.3	17.0	12.9	2.9	13.8
Price-Earnings (x)	12.9	9.4	8.0	7.1	6.9	6.1
Dividend Per Share (INR)	2.4	3.2	4.0	5.9	9.5	15.2
Dividend Yield (%)	1.6	2.1	2.6	3.9	6.3	10.0

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 2011129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).

6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

financial interest in the subject company

actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.

received compensation/other benefits from the subject company in the past 12 months

any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)

received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.

Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alterations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

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
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@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, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. 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.