Canara Bank – Q1 FY27 Earnings Call
27th July, 2026

- **Moderator:**

- Today, Brajesh Kumar Singh MD and CEO, Shri Hardeep Singh Ahluwalia, Executive Director, Shri Bhavendra Kumar, Executive Director, Shri S.K. Majumdar Sir, Executive Director and Shri Sunil Kumar Chugh, Executive Director. With this, I now hand over the call to the MD Sir for his opening remarks, post which we will have a Q&A session. Thank you and over to you sir.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Good evening, moderator and at the same time all my respected analysts. We have just declared our quarterly results today. Numbers, according to me, are good and so has market has also taken. So let me put forth some of the highlights first, then we'll go for question and answer. Global business has grown by 14.37% YoY at 29.05 lakhs of crores of rupees. At the same time, gold global deposit has also grown by 11.63% YoY against at 16.11685 lakhs crores of rupees. Then global advances grew at a handsome rate of 17.97% YoY at 12.93381 lakhs crores. Net interest income has also grown 13.39% YoY and it has first time there is a distinction. It has crossed 10,000 crores of rupees marks at 10,215 crores. Net profit also we could grow 2.19% YoY at 4,856 crores. We are very well capitalized. Our CET1 is at 12.91%. There is a gain of 62 basis points YoY. Total credit CRAR is at 17.17%, 65 basis points gain on YoY basis. We have increased our provision coverage ratio at around 95% at 94.76% to be precisely, which is 159 basis points more YoY basis. Gross NPA has come down 112 basis points YoY and it is now at 1.57% only. Net NPA has also decreased at 0.36% which is 27 basis points less YoY basis.

- And then if we talk about RAM credit retail agriculture and MSME, it has also grown 21.20% YoY basis and as of 30th June, it is 7,64,675 crores. Then retail credit out of this thing RAM has grown at 35.88% YoY and placed at 3,19,893 crores of rupees.

- Housing loan within the retail credit space has grown very good at 17.85% YoY and placed at 1,29,036 crores of rupees. Vehicle loan has grown little higher at 26.34% YoY and placed at 27,315 crores of rupees. 15.12% YoY growth we have registered under MSME and it is at 1,68,815 crores. 2.19% growth we have given YoY basis on earning per share that is placed at 21.47%. YoY credit cost has also reduced by 23 basis points and now it is at 0.49% only. Slippage ratio is contained at 0.60% and which is improved by 20 basis points YoY.

- So whatever the performance we have given, we have bettered everywhere on count of guidance whatever we have given. See business growth, we gave guidance of 10-11%

which is now at 14.37%. Advances growth, we said will grow by 10-12% we have grown by 17.97%. Deposit growth, we said 9-10% then it is at 11.63%. CASA we said that it will be between 30-32% but that guidance was for March 27, we have 29.70% as of now. NIM, we said we will be protecting it between 2.50-2.60% and we have kept that at 2.52%, we are able to protect our NIM. Gross NPA, we said 1.50% March 27 annual full year guidance and against that we have already reached 1.57%, 112 basis points we have already reduced. Net NPA, we said 0.40% for annual target which we have surpassed as of now only at 0.36%. PCR also, the provision coverage ratio we said 93.50% but we have this thing raised it to 94.76%, we have bettered it at there. Slippage ratio, I said 0.80%, we said that our slippage we will be containing at 0.80%, we have contained it at 0.60%. Trade cost we envisaged at 0.75% but which is improved at 0.51% only. Return on equity 16.50% we said, now it is bettered at 18.07%. Earnings per share also we said 20, now it is 21.47%. Return on average asset we said, it will be hovering between 1.01-1.05% and we are towards the higher side of it that is what is at 1.04%. So you would see, everywhere whatever the guidance we have given, we have kept those guidance we have bettered those guidance. And again our performance should be seen in perspective of the total ecosystem, how our peers have fared and how we have fared.

- So that is all from my side. I hope it is liked by you people also and we are open for any further clarification in this regard.

- **Moderator:**

- Thank you sir. We will start the question and answer session. Participants, those who have any question please raise your hand. We will take the first question from the line of Ashok Ajmera. Please go ahead.

- **Mr. Ashok Ajmera – Analyst:**

- Hello! Good evening sir.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Ashok sir, namaskar.

- **Mr. Ashok Ajmera – Analyst:**

- Namaskar sir, namaskar! Compliments to you sir and the entire team of Canara Bank. Very good results. You rightly said that we will appreciate your results. Yes, we are definitely appreciating sir because on most of these all parameters, you have excelled. I mean better than the targets given. And the bank is now as in the range of now 20 lakh crore business bank soon touching 30 lakh crores and very very sound asset quality also. Your PCR also has increased to 94.76%. So yes, progress on all the fronts. Having said this, some observations and some clarifications.

- Number one, is this on the SMA side. Our SMA 0 has gone up, whatever numbers are given. From 862 crore to 3315. And there is a migration from SMA 1 to SMA 2. You know like SMA 1 is reduced. But SMA 2 has also gone up from 1394 to 3482 crores. So, is it the normalized things or can it be seen in view of this present geopolitical situation or some stress building up in some of the MSME or retail accounts? That the SMA 2 numbers have gone up from 1394 to 3482 crores and even SMA 0 also has started. So some color on that.

- And based on that and connecting to that only, for this ECLGS5, what is the assessment made by us for the total eligible accounts? How much amount has been sanctioned and disbursed from that? So this is my first question Sir, on which I want your take sir.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Okay, sir, I will answer one by one. So first question, you said that our SMA2 has increased. But at the same time you see SMA1 has decreased. So what has happened, there are 3-4 big accounts, which are, with every bank is a consortium finance. But these accounts are government guaranteed account. They keep on oscillating between SMA 0, 1 and 2. So I cannot take the name of the accounts. But they are high value account. But it will never degrade considering it is government guaranteed. And for quite some time, it is oscillating between 0, 1 and 2. So one account only has shifted from 1 to 2. But as of now, we speak, it has come down to SMA 0. So due to one account, this account has gone from SMA 1 to SMA 2. But now it is corrected. It stands corrected.

- Again same thing has happened in one account which was out of those 3 accounts only. It was out of SMA 0. But again, it has due to some problem on the last day, it has come in SMA 0. But now it is out of SMA 0 also. So there is nothing to worry. It is only due to 2 accounts. One account entered into SMA 0. As of now, as we talk, it is out of it also. And one account got shifted from 1 to 2. But it keeps on oscillating from one account to another account.

- So nothing to worry, sir. It is well controlled. And total SMA if you will see, it is only less than 3%. It is some of the industry best number. And we do not see any stress in our large corporate books. So little stress will be always there in MSME and agriculture. But that is also contained at less than 3%.

- Then the second question. We have identified around 90,000 crore worth of rupees of account, which are either to be eligible for Emergency Line of Credit 5.0. Out of that, we see a positive of around 18,000 crore rupees of advances, based on their eligibility. Out of that also, we have already sanctioned 11,000 crore plus amount. And out of that also, 10,000 crore is already disbursed. So we see, 5,000 to 6,000, considering everybody is not taking it also. So whosoever is taking we are lending. It is done through Jan Samarth portal and there is hardly any pendency on Jan Samarth portal also. But this is a dynamic situation. People keep on applying. And where we have this thing provided all those eligible accounts list to all our down the line, to our branches, our regions and circles. They are also following with them explaining the benefits of taking emergency line of credit. So that is how we are placed. 10,000 crore plus disbursed, 11,000 crore plus sanctioned. Total domain is 18,000 crore. So we see 5,000 to 6,000 crore more there. This has helped in our good growth in our advances also sir.

- **Mr. Ashok Ajmera – Analyst:**

- Yes sir, 4.51% in this quarter and some of this might spill over in the next quarter. So the advance in credit growth is going to be robust even in the coming quarters also because of this sir.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Yes, yes.

- **Mr. Ashok Ajmera – Analyst:**

- Sir, something on this income side sir. On the income, the treasury income has contributed substantially in this quarter. Even in many of the other banks also. I mean beyond 1,000 crore is the treasury this thing. And another one, is the PSLC commission also. Other income if you see, it is 1,947 crore as against 393 crore in the last quarter. Whenever I compare, generally I compare with the last quarter only because it is a dynamic thing and considering with the 4 quarters earlier may not be realistic sometimes. So this kind of trend in the other income which has contributed substantially to this higher profit, whether it is going to continue or it is one time like PSLC might accrue in the coming quarters also and some of the other incomes also. And along with that, on the provisioning side also, there is other provision of 680 crores in this quarter as compared to 319 crore of the minus provisioning or deprovisioning in the last quarter. So both of these have relevance with the profit and loss account profitability of the bank. If you can give some color on that sir.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- So, I will start with first treasury income sir. So treasury income is not there what it was there in the same time in the June quarter 2025 sir. That time, yields were softened so we could earn through treasury operations by sale of investments. And at the same time, RBI had their OMO operations also. So we could earn through arbitrages also. So last time, during the same quarter, the earning was 1,617 crore, which is not available this quarter considering there is no arbitrage available also. Yields have also hardened you have seen. So there is no fun in going and selling our investments. So we could only earn 654 crores by way of sale of investments. So there is a not gain but dent of 1,000 crore.

- But at the same time, you rightly said PSLC, we will go to PSLC. So PSLC has got some peculiarity which happens mostly in the first quarter and little bit it is spillover in the second quarter. But that is not available across all the quarters. So yes, we have earned very handsomely on count of sale on this thing, practice sector, lending PSLC certificates. That is very good.

- Last year also, we could earn in the first quarter 1,684 crore. But this time it has bettered at 1,947 crore. You rightly said, last quarter in March quarter, hardly any PSLC happens. So 200-300 crores here and there, somebody is lagging behind that. So that was the answer of your second question.

- Regarding that provisioning sir, yes, we have done good provision in this quarter. Last quarter, if you rightly said, you compare it quarter to quarter. Last time, total provision in March 26 quarter was 2,252 crores. This time our provision is around 3,780 crores. That is more than 1,500 crore rupees more we have provided. So that is all basically on two counts. So first is on income tax this thing, some provision we have made. Another for employee, in others you see, last time it was 869 crore less provision was there. It was negative, which is 489 plus this time. So 300 crore we have provided sir for PLI for staff. Performance link incentive that is 300 crore. It's not here okay.

- **Mr. Ashok Ajmera – Analyst:**

- Yes sir. So my last question in this round sir. Hello?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Yes, yeah. Yes sir.

- **Mr. Ashok Ajmera – Analyst:**

- Did you get it, the figure or shall I?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- No, no it's okay sir. So we have provided more this time.

- **Mr. Ashok Ajmera – Analyst:**

- You have provided more……Sir, how are we prepared on the ECL front sir? What is the total assessment because now the numbers are clear now. And how are we moving about providing whatever amount is required to be provided? How prepared we are on that?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Somehow, we got the idea about stage 1, stage 2 and stage 3. So, there we see around 10,000 crores of rupees extra provisioning will be needing. But at the same time, our provision coverage ratio is touching 95%. But we do not have exact idea about M2M. What happens on 1-4-2007? What is the market that time? So nobody has got that idea sir. That is a dynamic situation. But whatever is known, in the known there…. in the known knowledge….. That is 10,000 some plus crores. Even if we consider 2,000 crore there, mark to market. So it is 12,000 crores of rupees, extra provision will be requiring.

- But considering the kind of profit we are making, last year 19,000 plus crore profit we have made. This year also in the first quarter itself, 4,856 crore net profit we have made. So when we analyze, we will be again making around everything goes correct, around 19,000 crores of profit. So high profit and our capital adequacy would have seen, it is at 17.17%. Even with tier 1 we have talked about it, 15%. And if you see, it is 12.91%. So we are very comfortably placed against the regulatory requirement of 11.50%. So the total dent on capital adequacy ratio. Even if we provide it in 1 year only, whereas we have got the dispensation of 5 years. Still we are providing in 1 year. There will be 1.2 to 1.25% of dent. So we guess and we are trying to provide it in 2 years, not in 5 years, maximum in 2 years. So still there will be not substantial impact. Even if we are not raising any capital, we will be very peacefully selling through new norms of ECL. Technological preparedness and other things through knowledge partner. It is all in place. PD, LGD and EAD, we have got all those modalities in place. And by October, we will be having the dry run. So I guess we will be on technological aspect also. And on capital aspect, we will be very comfortable in going through the ECL process.

- **Moderator:**

- Thank you. We will take the next question from the line of Jay Mundra. Please go ahead.

- **Mr. Jay Mundra – Analyst:**

- Hello! Good afternoon sir.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Hello Jay.

- **Mr. Jay Mundra – Analyst:**

- Hi! Thanks for the opportunity. Sir, I wanted to check on the strategy part. You have come from Indian bank which has very clear balance on growth and profitability. They have the highest NIM within almost all PSU banks. And Canara Bank has actually one of the lowest NIM because of the lower CASA and maybe higher share of bulk deposit. So, I wanted to understand sir, how do you look at NIM and CASA balance at Canara Bank over the next one year? Do you want to focus more on NIM or you think that 2.55% kind of NIM is a decent outcome and you would focus more on the growth? Do you have an opportunity now to fix the liability or you think this is reasonably good for Canara Bank?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Okay, rightly you said. I have got experience of Indian Bank also which is one of the most efficient bank I would say. But at the same time, I am having experience of 28 years at Bank of Baroda also, which is on both side, I can be growth side or the balance sheet side and at the same time Canara Bank is also a big bank. Now we are in excess of 29 lakh crores of business. So yes, but my first focus and preference will be on efficiency parameters only. Growth is also important but at the same time I would like to be giving more emphasis on efficiency parameters. Rightly said, our NIM is towards the lowest side. I come from a bank where NIM is always all time high. That time it was 3.32%, now it is hovering around 3.50% also. But yes, we have started working on those parameters.

- Yes, our dependency on bulk deposit is more considering our CASA percentage is less than 30%, around 29.70%. So that we have started working and very heartening to note also, you would have seen in our presentation also, that our individual saving, saving individual not institutionally I am talking, it has increased by 12.48%. Then again, there is a very good traction in retail term deposit also, that is at 9.10%. So that is a good growth considering the tight market at present. So we are focusing by way of good quality products, by good way of placing, by good way of pricing and we are working on delivery channels also. We want to have good traction in SV individual and retail term deposit. So we have come up with very nice products also.

- So our endeavor is to slowly and steadily replace those high cost bulk deposit through not necessarily 100% by CASA but through retail deposits. Again, this good dispensation, we have given guidance that will be going to get around 2.5 billion of FCNRB, ECB and OFCB taken together. So which will also help us in reducing and replacing those bulk deposit considering this is coming at 6.50% only. And again, there is dispensation of CRR and SLR also. So there will be further saving of 20 to 25 basis points there also. So it will be costing less than what we are as of now holding in bulk deposit. So that way, there will be and again whatever the growth we are getting in deposit, we are deploying it very gainfully considering very tight and quality underwriting. And keeping our credit cost, you have seen at very controlled way. So both side, we are working on yield on advances also and cost of deposit also. And you have seen that we have grown our CD ratio also from 75 to 80.

- Yield on fund, yield on investment is 6.90 whereas yield on investment is…. yield on advances is 8%. So again, we will get 110 basis point traction there. So that will help us in here. We will be certainly protecting our name and we will be further growing on it. Again that 100% basis points dispensation given last year in repo rate, by repo rate cut, that has also fully materialized. And it is now and cost of deposit also kind of stabilized and we are getting further growth towards low cost deposit and replacing bulk. So we will protect and we will even take it further. I am sure, I am hopeful.

- **Mr. Jay Mundra – Analyst:**

- Actually, the question is right now, there is a balance. I mean most banks cannot target above industry growth and still deliver, let us say higher NIM. Even for Canara Bank, we have grown loans at 18-19%. NII is 13%, 12-13%. So currently, the growth is not NIM accretive. So if this situation remains, would you be growing at 18-19% which is higher than industry or you would be focusing more on, let us say growing in line with your SA growth which is 12-13% and thereby protecting NIM or you would be lean towards higher growth and higher NII versus NIM? So that is the question sir.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- So, this year, there was a special growth under emergency line of credit also, around 11,000 crores of rupees we have sanctioned there also. And that, but it has happened towards it, it was I think placed across the quarter. So it has not happened in the first quarter. That is why that effect will come next. It will start coming from this quarter. Considering there, we are getting 1% more also. So whatever the incremental advances we are doing, considering good credit underwriting also but we are doing it gainfully, I said in a guarded way. But we are doing it at good rate, better than our average yield also, at sometimes we are doing. So it will further improve. Now first thing is efficiency, then only growth. But we will be striking a balance. We can't be stagnant also considering every bank has got different characteristics. This is a high business outstanding bank at the same time. NIM also if you approve. See, consider at 2.50%, we are making 19,000 crores of profit. Even if we are this thing moderating towards in our favor a little bit also, that will give us good distinct traction on net profit also sir.

- **Mr. Jay Mundra- Analyst:**

- Right! Sir, I will just on this point. So what would be your blended cost of bulk deposit? A rough guess will also help.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Okay. So this month, month over month. So every month, we are having a gap of in our favor around 29 to 30 basis price. Whatever the bulk, this thing deposits going outflow. and whatever the inflow is there. So we are, that way we are correcting it. So 20, 30 basis points here and there. Last month it was at 6.58%. So but it is improving every time.

- **Mr. Jay Mundra – Analyst:**

- So sir, when we have a yield at 8% and bulk deposit is anywhere between 6.5%. So clearly, as long as, I mean you can gain NIM if you shed bulk. And maybe grow a little bit softer on the overall deposit side. Because your incremental margin on that bulk deposit is around 1.5%, which is lower than the blended. So I wanted to check sir, would you be keen on having higher growth, thereby higher NII or would you be more focusing towards taking this NIM of 2.5% towards maybe 3%. You have a choice right?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- No, no, what I say, we have to strike a balance. Overnight we cannot raise it from 2.5% to 3%. But what we are doing incrementally, you take example, we have said that we will raise FCNRB deposit to around say 2 billion. So that means 20,000 crore rupees will be coming. This we are betting at 6.50%. Again, there is a benefit of that negative carry of CRR SLR. That dispensation is also there. So it will be costing us around 6.20 some percent. So again there is a traction of 30 basis points. So it will all help us sir. So we are mindful of both the things. We are mindful of growth also, and we are mindful of this thing, leverage is also there.

- **Moderator:**

- Thank you Jay. We will take the next question from the line of Maru. Please go ahead.

- **Ms. Maru – Analyst:**

- Congratulations sir!

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Thank you.

- **Ms. Maru – Analyst:**

- Sir, I had a few questions. Firstly, on the FCNR deposit mobilization. How much do you think you can mobilize? That's my first question. And of course, Jay discussed a lot on margins. I just wanted to know the near term outlook on margins. Right, because you said that every month, the incremental deposit cost kind of comes down. So what will be your margin outlook for the next 2 to 3 quarters?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Okay, so should I?

- **Ms. Maru – Analyst:**

- Yes.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- So first question first. FCNR B you have said, we have given guidance of 2.3 to 2.5 billions of dollars. And against that guidance, we said this month, in the month of July, we will raise 750 million dollars. Against that already, we have raised 775 million of dollars. And within these 4 to 5 days left in this month, our endeavor will be to cross 1 billion dollars. So that is our guidance on FCNR B and how much we have received.

- Then you have asked about this near term guidance on NIM. So we have given guidance of 2.50 to 2.60. We will try to better it. But even if we are maintaining at 2.60, you have to see in the total backdrop of the ecosystem. So everybody has lost on account of this thing, I mean NIM. But still we have protected our NIM and we have all the aspirations. And we have all the, I guess ability to raise it further, even more than 2.60%. But guidance remains at 2.60%. 2.50 to 2.60, considering the very tough and man headwinds in the ecosystem.

- **Moderator:**

- Thank you. We will take the next question from the line of Ashlish. Please go ahead.

- **Mr. Ashlish – Analyst:**

- Hi sir. Good afternoon. Sir, first question is about this comment which you made, that is happening at a higher price. Can you just elaborate a bit more on this part? How are you able to do this?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Could you please come back? I could not hear you properly.

- **Mr. Ashlish – Analyst:**

- Sir, you made a statement that incremental lending that you are doing is happening at a higher price. Correct me if I heard you wrong. Can you just elaborate a bit more on this part?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Your voice is breaking. Voice is breaking Ashlish. I could not get you.

- **Management Team – Canara Bank:**

- The price what you want to know?

- **Mr. Ashlish – Analyst:**

- Sir, hope this is better. You made a statement that you are seeing the incremental price of lending going up.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Yes, yes.

- **Mr. Ashlish – Analyst:**

- Can you just elaborate on how you are able to do that?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- See, we were having some sub-7 lending also. So, whenever it is coming to reset, we are resetting in our favor. And sometime we do not mind taking prepayment also. But incrementally wherever we are doing…Market is also little better now, so wherever we are doing, since we are not fighting for the growth only, we are getting good terms there also. And you would have seen again in our Total Advances mix, our RAM percentage has gone by 1%; from 58% to 59% it has gone. I know there are many benefits of growing RAM, considering the better leverage also there, diversified risk also, less credit cost also and at times priority sector reckoning also. So, that way we are trying to improve. On every proposal we are very mindful and we are appraising it from efficiency angle also.

- **Mr. Ashlish – Analyst:**

- Understood. Sir, just one follow up there. When you say market is getting better, which segments are you referring to here? Is it only corporate or are you seeing that trend across retail and MSME segments also?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Corporate, I would say. Otherwise, these are all targeted lending. Retail and Agriculture and MSME; these are all more or less on the similar lines. But in corporate we are getting good traction and we are asking and we are getting also good rates. And with better quality also.

- **Mr. Ashlish – Analyst:**

- Understood. And within corporate I see that the better rated corporate has grown much faster than the lower rated corporate. You expect that trend to continue here on?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Yes. Also, in our total book now 86% of our book is A and Plus rated. That has grown from last time also.

- **Mr. Ashlish – Analyst:**

- But that will continue?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- And we are getting traction in better rated corporate also. Yeah, 86%. Yes.

- **Moderator:**

- Thank you. We will take the next question from the line of Parth Gutka. Please go ahead. Parth, please go ahead with your question.

- **Mr. Parth Gutka – Analyst:**

- Hi, Sir. Thanks a lot for the opportunity. Sir, in the Interest Income line item, is there any one off for the quarter? Or what was the Interest on IT refund for this quarter?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Okay, so there is not one of the…Whereas we were adversely placed on this time. Last time we had good Interest on IT refund also, that is not available this time. So, that is not that much what it was last time. So, there is not much one off things. These are all organic only.

- **Mr. Parth Gutka – Analyst:**

- Okay. And my second question is, what was the Interest on Recovery from Return of Account in the Interest Income line item for this quarter?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Okay. So, interest on IT Refund this time was ₹247 crore only, which was quite more in the last quarter same time. And then Recovery Interest towards NPA and write-off is only ₹258 crore. So, that is also less than…It was ₹382 crore last time, it is ₹258 crores this time only. Last year Interest on IT Refund was ₹619 crore, this time it is ₹247 crore only. So, that way, like I said, there is no one off case in any of the interest component.

- **Mr. Parth Gutka – Analyst:**

- Okay, Sir. Fair enough. And my second question is the PSLC income has picked up in Q1 to around ₹1,600 crore or ₹1,700 crores odd, what is the target for the full year here?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- There is absolutely no target for full year as such. Whatever PSLC sale happens, that happens in the first quarter or little part of the second quarter. So, you'll see hardly like in the last quarter, March 2026, if you talk about, there was only ₹393 crore rupees of income. So, whatever happens, it happens in the first quarter, mostly in the first quarter and little part in the second quarter only. So, I guess that we have already gained. But there will be some traction, ₹200-₹300 crore here and there but not as much as what we could book in the first quarter itself. Second quarter something will be there, yes.

- **Mr. Parth Gutka – Analyst:**

- Okay, Sir. Fair enough. And, Sir, my last question is, despite the proportion of RAM segment going up, our yields have declined in this quarter. Any particular reason for the same?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- See, I mean, if we are considering it quarter over quarter, last year, last financial year, 100 basis point rate cut was there in repo rate. And that was spread across the year. So, that way we have lost 100 basis points. And our 53% of portfolio is repo rate linked, so that way we have lost there instead of gaining. But still we could hold on that, you see.

- **Mr. Parth Gutka – Analyst:**

- Okay, okay. So, should we assume that yields have largely stabilized and should not decline from this level?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- I guess, yes, the yields have largely stabilized. But depending upon MPC, MPC we do not know. But, as of now, last time also there was no change in MPC also. So, there will be always benefits of stability.

- **Mr. Parth Gutka – Analyst:**

- Sure. Sure, Sir. Thanks a lot for the opportunity.
- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**
- Thank you. Thank you, Parth.
- **Moderator:**
- Thank you. We have next question from the line of Sushil Choksi. Please go ahead.
- **Mr. Sushil Choksi – Shareholder:**
- Congratulations to Team Canara and Brajesh ji for excellent performance.
- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**
- Choksi Sir, Namaskar.
- **Mr. Sushil Choksi – Shareholder:**
- Namaskar, Sir.
- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**
- Namaskar. Hope you remember me from Indian Bank time.
- **Mr. Sushil Choksi – Shareholder:**
- Not only Indian, I remember you from Bank of Baroda.
- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**
- That’s great.
- **Mr. Sushil Choksi – Shareholder:**
- Sir, knowing you from Bank of Baroda and Indian Bank and knowing Canara Bank's excellent performance from inception when it got listed.
- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**
- Thank you, Sir. Thank you, Sir. Thank you. Thank you.

- **Mr. Sushil Choksi – Shareholder:**

- Sir, what is that you would like to see in Canara Bank in your tenure that you are able to implement and make a dramatic change in outlook of Canara Bank despite great success they have achieved?

- Second thing I would like to know on digital spend, all your subsidiaries, gold loan and credit pipeline, disbursed and undisbursed.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Okay, Sir, and credit pipeline. Okay, so my aspirations will be on efficiency line, Sir, considering this bank is doing very good as long as topline is concerned. But, yes, we are a little challenged on the efficiency parameters and that has got anything to do with only one parameter, that is our CASA percentage is towards lower side as long as our peers are concerned; to the likes of Central Bank of India, Bank of Maharashtra. Even my previous bank, it was around 38%-39%. So, that is one of my aspirations to correct it. I can't correct it overnight but that would be my endeavor. If you ask me my wish list, so that is my first wish list. And, second, I would like to further work upon our HR, considering as long as I am concerned I feel that the only differential between one bank to another bank, good or not so good bank, is that HR. So, I would like to work more on our own personnels. I would like them to not only talk about deposit and advances, rather they should talk about ROE, NIM. And whatever the efficiency parameters, they are all talking about that and whenever doing anything, they are always mindful to that. And then ethics; ethics also I would like to work upon considering many benefits of being ethical. So, that is two of wish list. There are many wish list but if you talk about prioritizing those wish list, these are my first two wish list.

- Then digital spend, yes, we are doing quite a good digital spend. This time also more than ₹3,000 crore we have earmarked for digital spend. And it is around 8% of our total. Total IT cost, if we say, it is 8% but out of that digital only more than ₹3,000 crore we have earmarked. And out of that also substantial portion will go towards AI. But I want to do AI in a very consolidated way, not in piecemeal way but very calibrated way. I think we are better placed than any of the banks considering our headquarter is at Bangalore. So, we will be getting better traction in AI and all and our employees are also very tech savvy, I must say. So, that is how we are placed on digital.

- We have got many digital journey, those are good also, but on adoption part we have to do a lot of things. Digital journeys are there but adoption level for all the journeys are not that high.

- Gold Loan book is, I will not say bread and butter, but I guess we are market leaders in gold loan. Already ₹2.49 lakh crore was the gold loan outstanding as of 30th June, it has further increased, I would say. And that is a growing business and it gives us good leverage. And it is very well collateralized by near cash collaterals, credit cost is hardly there and then there is no capital provision also. So, it is giving good traction, it is a stable business in southern part of the country and it is growing other part of the country also. But in southern part it is a stable business, people collateralized gold for all their banking needs and it is very fast also they get. So, this answers your third question.

- The fourth you said credit line, so around 92 accounts…take it 100 accounts and around ₹50,000 crore is our secret pipeline, I will say. So, it is a dynamic situation, Sir. If you want bifurcated, also I can tell 45 accounts we have got sanctioned but yet to be disbursed around ₹18,000 crore. And proposals in hand, good proposals, which are sanctionable and disbursable is around 47 accounts worth ₹32,000 crores. So, together it is around ₹50,000 crore.

- **Mr. Sushil Choksi – Shareholder:**

- Sir, your view on all the subsidiaries which are listed and unlisted?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Okay. So, we have got a good number of subsidiaries. So, 2 of them got listed last year, you would have seen that Canara HSBC Life and then Canara Robeco, and both of them are doing good. Their results also got published and maybe 2-3 days I think there was a 10% circuit also. So, these 2 subsidiaries are doing good and we are getting threefold benefit out of them considering we are their distribution franchisee also, they are using our 10,131 branches. So, we are getting agency commission also and at the same time valuation of these companies with the good business is growing. So, there also we are gaining. And we are also invested there, so there is a third benefit also that appreciation of our stock prices.

- So, same way Robeco is also doing good, their share is also appreciated.

- So, around 5 subsidiaries we have got, around 5 associates we have got. So, all of them are giving good tractions. This year we could book at least around ₹320 crores of profit which has come to us as parents.

- So, we are seeing good traction there and they are all very professionally managed. Though we are keeping arm's length distance, they are governed by their board. So, we are keeping arm's length distance but we are supporting them by allowing them to use our distribution franchisee.

- **Mr. Sushil Choksi – Shareholder:**

- Congratulations and good luck for the year, Sir.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Thank you, Sir. Thank you, Sir. Thank you, Choksi Sahab.

- **Moderator:**

- Thank you. We will take the next question from the line of Nitin Agarwal. Please go ahead.

- **Mr. Nitin Agarwal – Analyst:**

- Hi, Sir. Congratulations on good quarter.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Thank you, Nitin.

- **Mr. Nitin Agarwal – Analyst:**

- Sir, couple of questions. One is like this quarter we have seen a sharp decline in cost of deposits. So, how do you see the further repricing over the coming quarters, almost 27 odd basis point decline? And is it fair to say that margin expansion from here that you are indicating will be driven more by reduction in deposit cost versus lending yields?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Both side we are trying, Sir. I agree, both side. One side will not help considering we are placed towards the lower circuit. So, we are trying to have synergy of both side. Yield on Advances also we want to grow. CD ratio we have also grown so that the dependency on investment reduces considering the 6.90% only we are earning by way of Yield on Investments. So, 110 basis points will come from there. That's why our NII also increased.

- So, we are targeting both side of it, Sir. So, rightly you said, 27 basis points it has come down but at the same time Yield on Advances has come down by 29 basis points. So, whatever the gain we have got here that was subsidized that side. So, we can't rely on one side of it and we have to get traction from both side little here and little there also which will augment our earning.

- **Mr. Nitin Agarwal – Analyst:**

- Right, Sir. But, Sir, with lending yields more or less repriced with Repo transmission done, how do you see the repricing on the deposit side in the coming quarters?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Repricing is also, I mean, I think it is plateau. It is all done. But, you know, whatever reduction happens in Repo, so that is immediately transferred overnight to deposit side. It gets transferred but transferred with lag. At the same time, full amount, full percentage, is also not transferred. But there is always fight like depending upon the respective ALM of the banks, they have got aspiration of growth also. So, that bulk deposit, there is always fight. So, sometime rate goes…depending upon their own ALMs, people are giving good rates also so that it is not fully transferred. And it never happens also. But this last one or two year, that is little on adverse side of it.

- **Mr. Nitin Agarwal – Analyst:**

- Right, Sir. And, Sir, on the corporate side, how do you see the pricing trend now? Has there been some improvement in the pricing environment on corporate lending?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Yeah, there is some improvement, I must say. We are getting little 10 paisa, 20 paisa here and there. If we are bargaining, we are getting.

- **Mr. Nitin Agarwal – Analyst:**

- Okay. Because I see like the RAM mix for us has been same, say, for last 2-3 quarters. How do you see that because other banks, some of them, have much higher mix on RAM? And how much is the difference between, say, aggregate RAM yield, blended yield on RAM versus the corporate?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Okay. So, yes, in our Advances mix, RAM has grown by 1% YoY. From last 58% to 59% this time. So, yield on RAM is little more than yield on corporates, considering that in the corporate we have got some of the portfolio at sub-7 also. But that is not the case with the retail. And, again, in MSME, a little more leverage is there. Agriculture, but we get interest subvention also there. But in retail also, especially unsecured retail, but that is not more, but there are good leverages we get. But if blended we go, it is more than what we get in the corporate. But, again, in corporate side, there is less operational cost. It is a trade-off but still most of the banks they prefer this RAM.

- **Mr. Nitin Agarwal – Analyst:**

- Right. So, Sir, difference, fair to say, can we say around 50 odd basis point or can it be more also?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Around 50 but exact number, if you want, I will provide you.

- **Mr. Nitin Agarwal – Analyst:**

- Sure, Sir.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- It is around 50, yes.

- **Mr. Nitin Agarwal – Analyst:**

- Okay. Okay. Thank you so much, Sir.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Thank you, Sir. Thank you.

- **Moderator:**

- Thank you. We will take the next question from the line of Anand Dama. Please go ahead. Anand, please go ahead with your question.

- As there is no response, we will move to the next question, next follow-up question from Ashlish. Please go ahead.

- **Mr. Ashlish – Analyst:**

- Hi, Sir.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Yes, Akhilesh.

- **Mr. Ashlish – Analyst:**

- I have a few follow-ups. Very quickly, on the ECL estimate which you gave of 1.2% of RWA, that translates to about ₹13,000-₹14,000 crores of provision. Have you already created any floating provisions against this requirement so far? That is one.

- Second question is if you can share the segmental slippages.

- Third question, your fee income has been quite sluggish this time, it is up only 5%. So, what is the reason for that?

- And last one, on the deposit focus, which you mentioned, do you have any targets in mind about the CASA ratio or the share of bulk deposits by, let's say, March’27 or March’28?

- Those are the 4 follow-ups.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Okay. So, ECL, you said, 1.20, that translates into ₹12,000-₹13,000 crores. That is what the amount we also perceive. So, no floating. Floating is already there. Whatever the provision we do on standard advances, that is always there. So, it takes care of SMA-0. And again, this NPA is always 100% provided. So, in between 1 and 2, SMA-1 and SMA-2, there is a challenge. So, there comes this amount, this ₹12,000-₹13,000 crores. So, that is there.

- And our Provision Coverage Ratio is 95%, again. So, it will take care. The incremental in 1 and 2, that is around ₹10,000-₹12,000 rupees. ₹10,000 crore rupees we are envisaging but we do not know what will be the market rate and M2M whatever that we have to provide on our investment book. So, that is one challenge, which we do not know. Even if by law of average it comes to 2000, but we are having very good CRAR. Also, you can consider a floating margin. 17.17% we have got against the regulatory requirement of 11.50%.

- **Mr. Ashlish – Analyst:**

- And you can get from the NPA provision which you have?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- And CET1 also is 12.91%. No-no, we are not having some hidden provision here and there. PCR is there. This provision or standard advancement, which is not part of PCR also, that is there. And CET1 is 12.91%. So, that is very handsomely placed. Even by dent of 1.25%, regulatory requirement is 8% only. So, we are very comfortably placed there, I guess. Even if we are not raising any capital, we have absolutely no problem. There's a provision of absorbing it in 1 year also but we plan to absorb in 2-year time against 5-year time allowed by Reserve Bank of India.

- So, segmental slippages also I will provide you. Segmental slippages, yes, we have got. So, total slippage has happened of ₹1,781 crores. That's all. And out of which ₹727 crore has happened in agriculture, MSME is ₹697 crore has happened, in retail ₹326 crore and in gold, some here and there, ₹20-30 crores. So, altogether the major slippages are there in agriculture and in MSME. That too are not significant considering our ₹12,000 lakhs of crores of our business. And that slippage rate is only 0.15% in this quarter. Annualized is 0.60% but actual for this quarter is only 0.15%. That is, I guess, somewhat industry-based.

- **Mr. Ashlish – Analyst:**

- Understood, Sir. Sir, the other questions on fee income and the target for…

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Fee income, I'll explain. So, non-interest income, fee-based income, if we talk about, if YoY we consider, YoY we have grown at 5.35%. But YTD we have come down from ₹2,513 crore, if we talk absolute, it was ₹2342 crore, so less than ₹200 crore. But that is on account of two, there are some incomes which are booked in the last quarter like many commission on government, many service charges. You getting me know? So, those things are only specifically booked in the last quarter. So, YoY we have grown by 5.35 but YTD we have gone down less than ₹200 crore. There is no systemic problem also but there are some specific commissions, there are some specific charges we booked in the last quarter and that's why it is little less there.

- So, deposit forecast, you say. So, we have given guidance in deposit to grow to 9%-10%, lower double digit. But we have grown close to 12%, some 11% odd. And the most heartening thing to know there is that most of the growth have come from individual accounts, either it is SP individual or it is Retail term deposit. So, which only testaments are good services, good products and good placement also.

- So, that is what we would like to harp upon. We have got good number of branches, good franchisee, 10,131 branches spread across all the places. Again, we have aspirations to open 250 new branches this year. And out of that, 34 we have already opened. So, going further our distribution franchisee will also increase. And then we have got some synergy from our subsidiaries also. Suppose somebody is taking some of their mutual fund products, then they need to have one savings account with us. So, that way also we are getting synergized also. So, we would like to grow 11%-12% there also.

- **Moderator:**

- Thank you. There is a question in the chat box. What is the total Gold Loan portfolio in Agri and Non-agri? And what is the LTV over there?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- What is?

- **Moderator:**

- What is the total portfolio in the Gold Loan, Agriculture and Non-agriculture? And what is the LTV over there?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- What is the?

- **Moderator:**

- LTV.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- LTV, okay. So, see, total Gold Loan is ₹2.59 lakh crores. And out of this, Agriculture Gold is ₹1.51 lakh crore and rest is under Retail Gold Loan, that is ₹107 lakh crore.

- And LTV, around 60. LTV is around 60. 65 I would say, between 60-65. Yes.

- **Moderator:**

- Thank you.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- So, we have very well, I mean, held ourselves there also due to any fluctuations of gold prices.

- **Moderator:**

- Thank you. We will take the next question from the line of Anand Dama. Please go ahead. Hello, Anand, please go ahead with your question. As there is no response, we will take the last question from the line of Param Subramanian. Please go ahead.

- **Mr. Param Subramanian – Analyst:**

- Yeah. Hi, Sir. Thanks for the question. So, first question, what is your LCR for the quarter?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- LCR is around 1-1-5, 115%. And soft target we have kept at threshold at 1.10, 110%. Against that, we are at 115%. Average is little more, 119%. That I am talking about internal LCR. But average LCR during the quarter is around 119%.

- **Interviewer:**

- Okay, 119% is the average. Okay, Sir.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Average, yes.

- **Interviewer:**

- Yeah-yeah. Perfect, Sir. And, Sir, on ECL, what is the run rate impact on credit cost? You mentioned the one-time impact but once you transition to ECL, how much will your credit cost increase by on a run rate basis?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- I guess it will not have much effect. You have seen how we have controlled our credit cost like anything. It is only at 0.51% . Around 0.49%, say 0.50%, against our guidance of 0.80%. Again, in total provision requirement is incremental basis till around ₹10,000 crores on a book of ₹12.83 lakh crores. So, you can understand. There will be some increase but not substantial. As of now I cannot predict very precisely but it will be in the range of, say, 10 basis points. Not even 10 basis points, Sir. 4-5 basis points.

- **Interviewer:**

- Yeah, Sir. Okay-okay, got it, Sir.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- That is an assumption only, Sir. That is an assumption only, yes.

- **Interviewer:**

- Okay, Sir, got it. So, if it is, say, 10 basis points, do you think you will be able to increase your, say, lending rates to offset the impact?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- I guess no, Sir. I guess no, Sir. For 10 basis points why would we? And, again, it will be an industry thing, Sir. It will not be restricted to Canara Bank. So, interest rates are always market-driven. But as of now, as per my own understanding, none of the banks is going to lower that. But there are some issues on floor rates and all. But we will see how things evolve.

- **Interviewer:**

- Sir, the reason I ask is then, you know, the 1% ROA comes under some sort of pressure if we start seeing higher credit cost. So, yeah, I mean, it will be difficult to achieve that if we have a higher credit cost. So, is that something you will not try to defend?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- See, ROA in excess of 1% is okay. I guess, it is better. Even if we are protecting at 1.01%-1.02%, will be happy.

- **Interviewer:**

- Okay, Sir. Okay. And last question, Sir, on your Agri book. Since you have such a, you know, substantial Agri book, any issues or stress you are seeing because of the, say, monsoon that we are looking at or are you worried on anything over there?

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Like I replied in earlier questions also, yes, if there is less rain or due to that then what happens is that those districts get declared as distress districts by SLVC and District Level Technical Committee. Then many kind of dispensation comes. So, even if we are going to get some stress, that will be in our KCC portfolio only. But, again, that dispensation will come from SLVC and government and RBI. So, it will be very easy to, I mean, sail through that. And, again, as country grows, the rain-fed areas are dwindling down very fast, you see. There are other ways out also for irrigation also. Fasal Bima also will be there. Then dispensation by way of declaration of distress districts will be also there.

- So, I guess, there will be not much effect. And KCC portfolio also not very huge at our bank, you see.

- **Interviewer:**

- Okay, Sir.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- I guess, that will be manageable. Manageable, yes.

- **Interviewer:**

- Yeah. Thank you so much, Sir. Congrats once again on the quarter.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- Thank you. Thank you. Thank you for your questions.

- **Moderator:**

- Thank you, we'll take that as the last question. I'll hand over the call to the MD Sir for his closing remarks.

- **Mr. Brajesh Kumar Singh – MD & CEO, Canara Bank:**

- So, thank you, respected analysts. We have tried and worked hard and we were always mindful of our efficiency parameter, so going further also our endeavor would be to work more upon efficiency parameters, inch towards implementation of ECL, work more on digitization, more on decongestion of branches so that our branches get time for developmental aspects and take help of financial inclusion also at the same time, grow deposits at low cost and gainfully deploy that. So, these are some aspirations and we look forward for your support also and your guidance also therein.

- Thank you, all, for taking out time and going through our balance sheet and giving so much insights which will certainly help us. Thank you, all.

- **Moderator:**

- Thank you, Sir. That concludes Canara Bank's Q1 FY27 Earnings Call.

END OF TRANSCRIPT