

Canara Bank
Analyst & Press Meet held on 11th May 2026

- **Moderator:**

- Good evening, everyone. We welcome Canara Bank's Q4 FY26 earnings conference call. I would like to thank the Canara Bank management team for giving us the opportunity to host this call. From the management side, we have with us Shri Hardeep Singh Ahluwalia, MD and CEO, 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 MD Sir for his opening remarks, post which, we will start the Q&A session. Thank you and over to you, Sir.

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**

- Good evening to all. Let me first share the highlights of Canara Bank results. So, our global business stood at 28.0 lakh crore and it grew by 12.11 percent. Our global deposits grew by 9.71 percent and stood at 15.68 lakh crore. Our global advances grew by 15.30 percent and stood at 12.37 lakh crore. Net interest income for the quarter was Rs. 9,808 crore. It grew by 3.88 percent YoY. Our operating profit for the full year is Rs. 33,019 crore and it grew by 5.19 percent. Our net profit for entire year was Rs. 19,187 crore and it grew by 12.69 percent. Our provision coverage ratio improved by 151 basis point and stood at 94.21 percent. Our credit cost reduced by 33 basis points and stood at 0.59 percent. Our GNPA for the entire year, there was a YoY decline of 110 basis points and stood at 1.84 percent. Our net NPA, there was a decline of 27 basis points year on year and stood at 0.43 percent. We are proposing a dividend of 210 percent of paid up capital and our share face value price is 2. So, the proposed dividend is Rs. 4.20 per share.
- Our advances growth was led by RAM credit. The RAM credit grew by 19.73 percent and stood at 7.30 lakh crore. Retail credit grew by 32.93 percent and stood at 2.96 lakh crore. Housing loan grew by 17.55 percent and stood at 1.24 lakh crore. Vehicle loan grew by 26.33 percent and stood at Rs. 26,070 crore. MSME credit grew by 12.85 percent and stood at 1.57 lakh crore. Our earnings per share improved by 12.68 percent and stood at 21.15. Our CRAR improved by 71 basis points and stood at 17.04 percent. Our slippage ratio 12 month is 0.69 which declined by 21 basis points.
- So these are the all key highlights of our performance. Joining me is Shri Bhavendra ji, Shri Majumdar Saab, Shri Chugh Saab and all my vertical heads to take all your queries and answers. Thank you.

- **Moderator:**
- Thank you. We will now start the question and answer session. Participants who have a question, please raise your hand. The first question is from the line of Mr. Ashok Ajmera. Thank you and over to you, sir.
- **Mr. Ashok Ajmera:**
- Good evening, sir.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Good evening, Ajmera Saab.
- **Mr. Ashok Ajmera:**
- Ahluwalia Saab! As far as the business is concerned, the business growth is good. I mean, especially if you look at the credit growth, you have grown in this quarter also by 3.79 or 80 percent and overall for the whole year 15.30 percent. So, on the business front, there is no concern. I mean, you are growing well, much above the targets which you had given. But sir, however, there is a pressure on the profitability in the bank. I mean, both the operating profit and net profit has gone down, which is generally not seen in the other peer 4-5 banks of your size, that the operating profit has gone down by 2,361 crore as compared to the last quarter only, where I can understand in which, there must be some gain of that HSBC Canara, the treasury front, but still, the treasury income also has gone down even comparatively also, if you net it out from 1050 crore to 272 crores. And the recovery from the return of account also, which generally should be better in the March quarter has also gone down to 1646 crore against 2051 crores in the last quarter. So, sir, on the profitability front and that has resulted in a much lower NIM than the expected and the target also, I think your quarterly NIM was 2.54 and the overall annual NIM is 2.51. So, on that, I mean, is there something special which has been, which has resulted in this lower profitability in the bank and coming forward, those issues may not be there. How do we see the now coming quarter and the coming year now in view of these results?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Ajmera sir, if you see that our NIM improved 9 basis point and our net interest income, it improved 549 crores. If you compare our peer banks, so our NIM has improved, our net interest income has improved. Only as rightly pointed, why there is a drop in operating profit and net profit by 2300 crores. So, sir, last quarter we had listing gains from Canara HSBC and Canara Robeco of 1930 crores. So, that was substantial enough.
- Secondly, due to geopolitical situation, the bond yields moved from 6.59 to 7.05 and the share market corrected by 4000 basis point. So, this has resulted into MTM losses of 800

crores. This may not be going ahead for the quarter, this may not be there in the June quarter, but the one-time listing gains were factored in the last quarter of 1930 crores. And regarding the TWO recovery, generally our TWO recovery hovers around 1500 to 1600 crores. If you see last year for the full financial year, the TWO recovery was 6800 crores and in this financial year, it is 6500 crores. So, there in the total TWO recovery, there is no substantial dip, but only some high ticket resolutions come in a particular quarter, but normally it hovers around 1500, 1600 crores per quarter.

- **Mr. Ashok Ajmera:**

- Now, sir, point well taken, sir. Even I had analyzed it that there was some additional profit in the last quarter because of those two listing gains. But having said that, sir, now these two things are clear. Now, the RBI has given the clear guidelines for the ECL. So, on that now, as far as the provisions are concerned, how much buffer provisions to take care of that or the planned provisions which we already have in our books and how do we plan to meet, now going forward, the provisioning norms as per the final guidelines given by RBI?

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**

- Sir, if you see that our SMA is best in the industry, it is only 2.75%. While the advances is growing up in absolute numbers, our SMA is coming down. In the December 25, our SMA book was 35,000 crores. Now, it is 33,728. So, although the advances is going up, our SMA is coming down.
- Now, coming to the ECL part. Now, sir, on ECL front, stage 1 and stage 3, both are almost at par with the IRAC norms. Our PCR is 94.21. For stage 3, it is adequate enough. For stage 1, it is at par with IRAC norms. Only at stage 2, we see that in stage 2, the regulatory floor has been moved from 0.4 to 5%. So, some additional provision will be required and we presume it will be 2,500 crores. And the probability of default in stage 1, stage 2 and stage 3 will be an additional 2,500 or maybe it may range up to 5,000 also. And additional non-fund requirement will be 2,500. Total requirement will be 10,000. And it can be staggered to 4 years. And our profit is in the range of 19,000 to 20,000 crores. So, bank is in a very, very good position to absorb the entire in the first go itself. If we absorb in the first go itself, then there will be a drop of 1% in the CRAR. And bank is adequately capitalized. Our CRR is 17.04, much above the regulatory level.

- **Mr. Ashok Ajmera:**

- Yes, sir. So, you are well prepared for that. Sir, now, going forward, the government has also announced, because you also referred that there is some geopolitical situation, which is, I mean, which is building up now in the pressure. In fact, in the March, the effect might not have been seen because of the West Asian, this West Asian war also. But now, I think you must have started feeling the heat. And government is equally, you know, being a

proactive measure, has announced ECLG 5-0, creating a lot of buffer, I mean, two and a half lakh crore rupees of the planned this thing. So, in our bank, have we calculated that how many customers, I mean, how much amount the customer can use through this line? And how are we prepared for that? And will it not add to our credit growth, which we already planned? Will it not give a flip to it? Are you feeling any stress already?

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**

- Sir, see, this quarter, our slippage was 2771 crores. Last year, last year in the same quarter, it was in the March, because we have to compare from the previous March only. So, last year also, the slippage was 2702. This year, it is 2800 crores, roughly. So, it is in the similar levels. So, in the March, what happens, sir, some MOCs are because branch audit is conducted across the country. So, some MOCs are, we should not compare from the December, we have to compare from March to March. So, we do not see any stress building as on date, because it is almost at par with the previous March. And out of this 2771, 1333 is for MSME. So, MSME, some slippage has been observed, but not that much. And for coming to your point that ECL-5, bank has already worked on that one, and the entire portfolio that is affected is about 90,000 crores. And the additional exposure will be around 18,000 to 20,000 crores. Definitely, it will give some flip to the advances.

- **Mr. Ashok Ajmera:**

- So, going forward, sir, there is no concern according to you and no concern has seen, has been, I mean, is building up even in April, May also, because of that war situation.

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**

- No, sir, if you see our slippage ratio at 0.69% and our SMA is 2.75, both are industry best actually. So, as on date, no concerns. And going forward, this ECL-5 will definitely help the affected area.

- **Mr. Ashok Ajmera:**

- All right, sir. Thank you and all the best.

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**

- Thank you.

- **Moderator:**

- Thank you, Ashok sir. Next question is from the line of Param Subramaniam. Param, you are unmuted, please go ahead with your question.

- **Mr. Param Subramaniam:**
- Hi, sir. Thanks for taking my question. Firstly, on the advances growth guidance that you have given of 11% to 12%, so we have closed this year with 15+. So, any reason we are calling for a moderation in the credit growth next year?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- No, sir. Actually, bank has a tradition of giving some conservative numbers because GDP growth is projected at 6.9%. And we have seen what earlier guidance has been given by us. And accordingly, it has been projected. I am confident that bank will end up much above the guidance numbers as it ended up in this financial year.
- **Mr. Param Subramaniam:**
- Perfect, sir. Very useful. Sir, secondly, on the PSLC, so some of the private banks are, you know, they are facing issues on their PSL compliance. Would it be fair to assume our next year our PSLC income will be higher than this year? Or any comment you can give on that?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Sir, PSLC, continuously our PSLC income is around 2500 crores. We derive that income. And this year also we are confident that we will derive this PSLC income. Because we are above in priority sector credit, we are exceeding all mandated norms. So, definitely we will gain advantage out of selling the PSLC.
- **Mr. Param Subramaniam:**
- So, sir, it should be similar to FY26 next year?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Yes, sir. Yes.
- **Mr. Param Subramaniam:**
- Okay. Okay. Okay. Sir, in the comment you made on ECL, I understood the one-time impact. But on the run rate impact of how much it can affect your say credit costs on a run rate basis. If you could speak a bit about that, say from FY28, and whether the bank can sustain 1% plus ROA even after implementing ECL on a run rate basis.

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Sir, our credit cost is continuously coming down. That is because our SMA in absolute number is coming down. If you see that the SMA from 3%, it has come down to 2.75%. And so, slippage will be hovering around this range only. So, we do not see any threat in coming up.
- **Mr. Param Subramaniam:**
- Sir, even after implementation of ECL, you think you can maintain similar credit cost guidance on a run rate basis?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- I presume that we will maintain this.
- **Mr. Param Subramaniam:**
- Okay, sir.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Because our SMA levels have come down substantially.
- **Mr. Param Subramaniam:**
- Yeah, fair enough. We can see that, sir.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- In December, in absolute terms, the outstanding was 35,604. This year it is 33,000. In March, this is 33,728. So, although my credit is growing at 15%. And if you compare from last March, last March 25, my SMA book was 40,481. Now, it has come down to 33,728. So, I am confident that I will be able to maintain this slippage numbers and credit cost.
- **Mr. Param Subramaniam:**
- Okay, sir. Sir, one last question. Sir, on NIM, you have given your guidance. But will you have passed through the entire December rate cut? And from here, how do you expect margins to trend, say, from first quarter onwards? Because your guidance is 2.5 to 2.6 on a trajectory basis, if you can.

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Sir, you see in this quarter, our NIM improvement was 9 basis point. So, already we are very, very, because our credit growth is very high at 15.30. So, that places us uniquely to negotiate on pricing. So, we are not entertaining low yield advances. We are capitalizing on expanding RAM credit. And we are very, very conscious on bulk deposits, pricing of bulk deposits. So, the combined effect, our NIM has taken an uptake of 9 basis point on this quarter and 1 basis point cumulative. So, we presume that it will hover around 2.5 to 2.6 here.
- **Mr. Param Subramaniam:**
- Very useful, sir. Just your LCR number if you can share. That is my last question for this quarter.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- So, LCR was 118%. It is much above the regulatory level of 100%.
- **Mr. Param Subramaniam:**
- Okay, sir. Thank you so much and congrats on that. Thank you, sir.
- **Moderator:**
- Thank you, Param. The next question is from the line of Jai Mundra. Jai, you are unmuted. You can go ahead with your question.
- **Mr. Jai Mundra:**
- Hello, can you hear me?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Yes, Mundra sir. Namaskar.
- **Mr. Jai Mundra:**
- Namaste, sir. Hi. Sir, a couple of questions, sir. First, just a clarification, sir on gold loan. How much is the total gold loan outstanding in retail and non, in agri and non-agri?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Sir, my gold loan portfolio is 2,45,000 crores.

- **Mr. Jai Mundra:**
- Okay.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- And out of which agriculture is 1.54 lakh crores. The remaining non-agri is 91,000.
- **Mr. Jai Mundra:**
- Right. Okay. So, okay. So, that is good. So, that has also grown, right? So, last quarter it was, I think, 2.2 trillion. It has now become 2.45 lakh crores, right? So, the gold portfolio, even on a QoQ basis, is growing at a decent pace. Do you see...
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Yes, sir. Yes, sir. It has...
- **Mr. Jai Mundra:**
- Yeah. Sir, so, going ahead, do you see that now this is a 20% of the overall loans? Would you believe the growth here to be single digit or you believe it will still be in double digit even though it moderates? Is there any thoughts there?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Sir, it will be in double digit because traditionally our number of branches are high in South India, sir. Here, people don't place on deposits. That is why we are lacking. On one side, we are struggling on CASA. But on asset side, we have this advantage of gold loans. People are more comfortable going to branches availing this gold loan. So, that is why we are confident that it will grow with the same pace.
- **Mr. Jai Mundra:**
- All right. Okay. Sure, sir. And, sir, on ECL, you mentioned that SMA 1... I mean, total SMA you have given, but if you have the number separately for 0, 1, and 2, I think that will be useful if you have the number separately for 0, 1, and 2 together.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- SMA 0 is 10961. SMA 2 is 9732 only. SMA 1 is 13,035. So, the total is 33,728.

- **Mr. Jai Mundra:**
- Okay. So, SMA 0 - 10,000. SMA 1 also around 11,000 and rest 9...
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- 13,000. SMA 1, 13,000.
- **Mr. Jai Mundra:**
- Right. Okay.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- SMA 0 is 11,000.
- **Mr. Jai Mundra:**
- Right, sir. And, sir, on your provisioning, right, so an ECL and provisioning, I think few banks, they have said that they want to raise capital, maybe for ECL, because asset quality across banks have been, you know, much strong and there is a strong growth in regulatory capital also. Your thought process, sir, if ECL, like you mentioned, 100 basis point impact, which seems very moderate, even if... because you also have 5 years. Any thoughts on capital raise or any need for that, sir?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Sir, our profit ranges between 19,000 to 20,000 crores. So, this will continue, I think, for the next year also. So, if the need be, if need required, we will go for capital raising. And since it has not moved to the board, once board permissions, then I will share it with you. I think within couple of months, we will share that number with you.
- **Mr. Jai Mundra:**
- Okay, sure. And lastly, sir, on your NIM question, you mentioned a stable NIM guidance going ahead, but sir, you also raised TD rates in the month of December and January by around 30-35 basis point. So, how should one look at cost of term deposit or cost of deposit on a blended basis? Do you think that cost of deposit now has bottomed and even including Q1 FY27, this should start inching up or you think that blended cost will still decline?

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Sir, we are very conscious on pricing, on bulk deposits and CD. So, we work on the blended model only and we are very conscious what is the rate of inflow and what is the rate of outgo. So, that margins we keep always in mind while quoting price. That is how our NIMs have improved in this quarter.
- **Mr. Jai Mundra:**
- No, sir, going ahead, do you think, because we raised, not all banks have raised term deposit rates, we did in December by around 35 basis point. So, I wanted to check, sir, has the cost of deposit bottomed out or you think because select maturity only have raised interest rate, but you may still gain on bulk or otherwise. So, how to look at the incremental, sorry, the blended cost of deposit?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Sir, why we had raised because our retail term deposit even after raising was much cheaper than the bulk deposit rate and the idea behind to have a more flow in retail term deposit rather than bulk deposit and that is what exactly has happened in the fourth quarter which benefited us and our cost of deposit has substantially come down, if you see.
- **Mr. Jai Mundra:**
- Right, right, okay.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- That is why you can see the fantastic impact on net interest income of 549 crores, you can compare with peer banks, ours is much better.
- **Mr. Jai Mundra:**
- Correct, no, no, sir, absolutely, it is much better. And sir, I just wanted to check two things since you mentioned peer banks, if you have the number of corporate loans or the overall loans which are linked to tables, that is one. And sir, we have a TWO recovery of around 6500 crores this quarter, this year as a full year. If you have any number which goes to NII line item out of this NPA recovery, because that may or may not grow as much as the loan growth, right, because the TWO recovery. So, three things, one, TWO recovery outlook, number two, TWO recovery that goes to NII line item and see the T-bill link corporate loans. Thank you.

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- So, sir, in TWO your interest income on your TWO advances, so it ranges about 350 to 400 crores. Almost it contributes to every quarter this interest income is contributed and we are confident going ahead it will continue, sir. And TWO recovery also it hovers around 1500 to 1600 crores in a quarter that may vary because of one big ticket resolution. If you see for the financial year 25, it was 6800 crores and this year it is 6500 crores, almost at same level. So, it will continue. This will also continue.
- **Mr. Jai Mundra:**
- Sure, sure. All right, sir. And the T-bill number if you have.....
- **Moderator:**
- Jai, we request you to come back to the queue for the remaining questions.
- **Mr. Jai Mundra:**
- Thank you, sir.
- **Moderator:**
- The next question is from the line of Maruk Adajania. Maruk, your line is unmuted. You can proceed with your question.
- **Ms. Maruk Adajania:**
- Hello. Good evening.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Good evening, madam.
- **Ms. Maruk Adajania:**
- Good evening, sir. Can you hear me?
- **Moderator:**
- Yes.

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Yes, yes.
- **Ms. Maruk Adajania:**
- Sir, I had a question. If your cost of funding, you know, you're confident about your cost of funds and the balance sheet is in a good shape, then why is your loan growth guidance not as good as other banks? Because other banks are giving a much higher guidance. What is the constraint here?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- There is no constraint. We see that GDP projection is at 6.9 percent. So, accordingly we project and we see last historically what we have given the guidance. Although we have surpassed these numbers and also we are confident that we will surpass it again. So, the basis has been this only. The GDP growth projection and the past historically, how much guidance we have given in the last three years, that forms the basis of giving the guidance.
- **Ms. Maruk Adajania:**
- Okay, sir. Got it. And sir, coming back to ECL, would you, is there any way to find out what will be the run rate impact? So, on an ongoing basis every year, how much will ECL add to the credit cost?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- So that we have not worked it out because it is a forward-looking provision. So that probability of default of any loan for the next year. So, we have roped in a knowledge partner, E&Y, and the system level implementation will take place in September. Roughly, we have calculated that the impact will be about 10,000 crores and looking at our profits, we can absorb in one go. But there is a provision that we can absorb in four years. So, bank is very, very comfortable on ECL front.
- **Ms. Maruk Adajania:**
- Okay, sir, thank you. Thank you, sir. Thank you.
- **Moderator:**
- Thank you, Maru. The next question is from the line of Suraj Das. Suraj, your line is unmuted. You can proceed with your question.

- **Mr. Suraj Das:**
- Yeah. Hi. Hi, sir. Thanks for the opportunity. Two, three questions.
- First, on the gold loan, while you highlighted that the retail gold loan is growing, it seems like your Agri gold loan is not growing for last two, three, four quarters almost. Last quarter, it was 1.5 lakh crore. It seems like this quarter is also 1.54 lakh crore. And in the beginning of the year, I think it was 1.4 lakh crore. Any challenges there, sir, or it has to do anything with the RBI revised guidelines or something like that?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- My colleague, Bhavendra ji, will answer this.
- **Mr. Bhavendra Kumar - Executive Director, Canara Bank:**
- No, no. Actually, our figure is 2.4 lakh crore and it's not that we have not been growing in the last two or three quarters. So, with the aftermath of RBI direction, we have changed certain restricted customers, how they can engage with the branches with the income numbers. So, because of that little slowness is there, but not that we have consciously taken anything in that direction to a stop. So, nothing is there because our retail portfolio is growing as it was growing earlier. So, from April 1st we have...
- **Mr. Suraj Das:**
- No, sir. My question is on the Agri gold only. On Agri gold only.
- **Mr. Bhavendra Kumar - Executive Director, Canara Bank:**
- That is what. That is what.
- **Mr. Suraj Das:**
- Last quarter it was 1.5 and in the beginning of the year, it was 1.4.
- **Mr. S. K. Majumdar - Executive Director, Canara Bank:**
- Shall I say, if you see that whatever loss you are seeing in Agri is compensated in retail.
- **Mr. Bhavendra Kumar - Executive Director, Canara Bank:**
- Retail. Yes.

- **Mr. S. K. Majumdar - Executive Director, Canara Bank:**
- It is a deliberate attempt from the bank. If you see in other than rural, that is semi-urban and urban, we are mostly...
- **Management team – Canara Bank:**
- In rural also, we are growing at 14.1%.
- **Management team – Canara Bank:**
- That is there.
- **Mr. S. K. Majumdar - Executive Director, Canara Bank:**
- That in these areas, we are giving only retail. So, if you see overall, you have to read both put together. If you are seeing in one side, agriculture is showing a slower growth, but retail is taking up its place.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- It is exponentially high. Yeah.
- **Mr. S. K. Majumdar - Executive Director, Canara Bank:**
- It is both combined, the growth remains constant. So, you should not look at it in isolation. It should look at combined portfolio in compliance with RBI guidelines. This is mostly in compliance with RBI guidelines we have devised this.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- And gold loan portfolio is growing at 33-34% of which the Agri gold portfolio is growing at around 15%. And we have to comply with all RBI guidelines also. So, I presume that it will go in the same manner.
- **Mr. Suraj Das:**
- Sure, sir. I will probably reach out separately for any further clarification. Two last questions.
- One on the current account. I think the growth has been a sharp negative number. Any reason for that?

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- There were four accounts which were having big, big ticket four accounts. So, I cannot name that. So, that is causing the variation in current account. Apart from that, current account is growing at a healthy pace.
- **Mr. Suraj Das:**
- Sure. And sir, last question. If you can give your stage 1, 2 and 3 provision as per the IRAC norm, whatever you are holding currently in absolute terms, roughly, rough ballpark figure will do.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- So, you are talking about ECL provision?
- **Mr. Suraj Das:**
- Right. No, I think you said in the opening commentary that stage 1 you are adequately provided. Stage 2 is where you need some buffer provision. And stage 3 also you are adequately provided. So, I just wanted to check the absolute number if it is readily available. Else I can reach out separately.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Absolute number can be shared only after the implementation of system. That I can share only after the implementation. Roughly, we have worked around 10,000 crores. And we are making a profit of 19,000 to 20,000 crores. And this also can be staggered for four years. So, easily we can absorb entire in the first go itself.
- **Mr. Suraj Das:**
- Sure sir. Okay. What is your total standard provision number?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- My standard provision number is....
- **Mr. S. K. Majumdar - Executive Director, Canara Bank:**
- 4,500.

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- 4500.
- **Mr. Suraj Das:**
- Thank you so much, sir.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- And apart from that, there are three big ticket accounts which are in SMA, where there is no need for provision but we have made, as a prudent banker, we have made a provision of 1,890 crores in that.
- **Mr. Suraj Das:**
- Okay, sure. That's all from my side.
- **Moderator:**
- Thank you, Suraj. The next question is from the line of Gaurav Kochar. Gaurav, your line is unmuted. You can proceed with your question. Gaurav, are you there? Alright, so the next.....
- **Mr. Gaurav Kochar:**
- Hello, am I audible? Hello?
- **Moderator:**
- Yes, you are audible.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Yeah, yeah Gaurav...Audible.
- **Mr. Gaurav Kochar:**
- Thank you for the opportunity. So, I have couple of questions, sir.
- First is on the PSLC. I am just looking at the small and marginal farmer. Because I am assuming that large part of our PSLC come from selling PSLC of small and marginal farmer. So, if I look at, let's say this year, the excess that we have is about 2.5%. So, we did about 12.5% versus 10% which is required. If I look at the same number last year and last to last

year, that number was much higher at 3.4% and 6%. So, is it fair to assume that the surplus that you carry this year is slightly lower than what you had last year?

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**

- No, no, no. We have worked it out and this will be at the same level this year also.

- **Mr. Gaurav Kochar:**

- Okay, okay. So, the PSLC income you expect to be similar as last year?

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**

- 6,500 crores.

- **Mr. Gaurav Kochar:**

- Right. 6,500. Okay, got it. 6,500, sir? I think 2,600 was the number this year.

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**

- No, no. It is 3,000. It will be around 3,000.

- **Mr. Gaurav Kochar:**

- Okay. Okay, got it. Sir, the second question is with respect to the recovery from return offs. While you have alluded to about 15-16 billion per quarter sort of recovery, but let's say in the immediate quarter, do you expect any large ticket account getting recovered? So, for let's say this Q1 FY27, you expect 15-16 billion revenue to continue?

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**

- For Q1 already, we have one big ticket part amount has been recovered of 300. We are very confident that this number also we will be achieving this quarter.

- **Mr. Gaurav Kochar:**

- Understood, understood. Perfect, sir. That's all from my side. Thank you.

- **Moderator:**

- Thank you, Gaurav. The next question is from the line of Ashlesh Sonje. Ashlesh, your line is unmuted. You can proceed with your question.

- **Mr. Ashlesh Sonje:**
- Hi, sir. Good afternoon. Sir, first question is again on gold loans. Wanted to check if you have taken any increase in the pricing on either Agri gold loans or retail gold loans over the past 1, 2, 3 quarters?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- So, that increase in pricing is factored. But we are very, very conscious about LTV. We operate well within the LTV ratios prescribed by the regulator.
- **Mr. Ashlesh Sonje:**
- Okay, sorry, sir. Let me clarify. The question is about the pricing of the interest rate on gold loans. Has that increased over the last few quarters?
- **Mr. Bhavendra Kumar - Executive Director, Canara Bank:**
- No, no, no.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- No, we have not increased.
- **Mr. Bhavendra Kumar - Executive Director, Canara Bank:**
- No, we have not increased.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- I thought the price of gold...
- **Mr. Bhavendra Kumar - Executive Director, Canara Bank:**
- And the LTV ratio, we have kept maximum at LTV.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Pricing on gold loans. Rate of interest rate.
- **Mr. Bhavendra Kumar - Executive Director, Canara Bank:**
- Not increased. And LTV also we have kept in check.

- **Mr. Ashlesh Sonje:**
- Understood.
- **Mr. Bhavendra Kumar - Executive Director, Canara Bank:**
- Below 70%.
- **Mr. Ashlesh Sonje:**
- Would it be fair to say... Yeah. Sir, would it be fair to say that all the Agri loans are largely linked to MCLR and all the retail loans are largely linked to repo? Is that a fair understanding?
- **Mr. Bhavendra Kumar - Executive Director, Canara Bank:**
- Yes, yes, yes.
- **Mr. Ashlesh Sonje:**
- And the average yield would be somewhere around 9%, right? On both the portfolios?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Yes, near 9%.
- **Mr. Bhavendra Kumar - Executive Director, Canara Bank:**
- Near, near, near. 9%.
- **Mr. Ashlesh Sonje:**
- Understood. Sir, second one. In the provision line in the P&L, there is a negative provision in the other provision line. Can you explain what that is coming from?
- And thirdly, if you can also share the segmental breakup of slippages for the quarter.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- So, provision in the large borrower framework, there is a release. As per the RBI guidelines, some 307-crore release is there. Because it is no more required. So, that is one of the factors.

- **Mr. Ashlesh Sonje:**
- But if I look at the number, it is close to 800 crores.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Earlier, there was 3% prescribed by the additional provision for large borrowers. Now, this has been dispensed by the regulator. So, there is a release of 307 crores.
- **Mr. Ashlesh Sonje:**
- Understood, sir. Sir, but the negative provision is close to 870 crores. That is why I wanted to ask you.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- See, in standard accounts, also in three big accounts, we were maintaining additional provision. Their balances have gone down. So, that is why some release is also there.
- **Mr. Ashlesh Sonje:**
- Understood, sir. And if you can also share the segmental breakup of slippages, that would be good. Sir, just lastly, one comment from you. I understand that there will be... as in we will go through the ECL transition over the next few years. But in spite of all of that, you believe the bank can deliver a 1% ROA?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Sir, I presume yes. Bank can deliver that. Although we have kept it at a conservative level, bank can deliver that. That is why we have given it our return on asset more than 1%.
- **Mr. Ashlesh Sonje:**
- Understood, sir. Perfect. Thank you. Those were all the questions I had. If you can also share the segmental slippages, that would be helpful.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Segmental, I can tell you, 2,771 is the total slippage that has happened in this quarter. Out of which, 1,333 is for MSME. Agriculture is 886. Corporate 80. Gold loan 41. Retail some 431 crores.

- **Mr. Ashlesh Sonje:**
- Understood, sir. Thank you very much.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Thank you.
- **Moderator:**
- Thank you, Ashlesh. The next question is from the line of Parth Gutka. Parth, your line is unmuted. You can proceed with your question. Parth, are you there?
- **Mr. Parth Gutka:**
- Yeah, hello. Can you hear me?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Yeah, yeah. Good evening, Mr. Parth.
- **Mr. Parth Gutka:**
- Yeah, hi, sir. Good evening. Thanks a lot for the opportunity, sir. In terms of RAM and corporate mix, we have now reached 59% of RAM and around 41% of corporate. So how far can we increase our RAM mix in the overall loan mix?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- We endeavour to reach at 60-40. 59 RAM and 40 corporate.
- **Mr. Parth Gutka:**
- Okay, okay. And within the RAM, we will continue to grow the retail segment because our Agri and MSME as a proportion of the overall loan has been coming off over the last four quarters. Is that the right understanding, sir?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Yes, yes.

- **Mr. Parth Gutka:**
- Okay, okay. Thanks a lot, sir.
- **Moderator:**
- Thank you, Parth. The next question is from the line of Sushil Choksey. Sushil sir, you can proceed with your question.
- **Mr. Sushil Choksey:**
- Good evening. Congratulations to Team Canara for a very stable result.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Good evening, Choksey sir. Good evening.
- **Mr. Sushil Choksey:**
- Sir, looking into FY27, can you tell me what is undisbursed credit and how is the corporate pipeline looking when you are guiding at 60 RAM, 40 corporate? Because RAM will have adequate support coming from government for the new scheme. At the same time, there would be demand. Whereas Southern India is seeing a robust demand where manufacturing, GCC and many other sectors are likely to come up. So, what is the outlook on corporate book?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- So corporate demands are already NBG that is sanctioned by us. So, we have to finalize the proposals. That is lined up at around 20,000 crores. Another undisbursed corporate is around roughly about 20,000 crores. And the ECL, we expect that 18,000 to 20,000 to grow. So, we should make up the guidance number comfortably.
- **Mr. Sushil Choksey:**
- Sir, in data center, are we funding data centers with GPU or without GPU?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Yes, yes.
- **Mr. Sushil Choksey:**
- With GPU. And sir, how is the pipeline between power sector and data center?

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Data center and power, both we are financing sir. So, regarding....
- **Mr. Sushil Choksey:**
- No, no. You are financing, I know sir. How is the pipeline sir?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Pipeline also we can share separately with you. We can share that pipeline.
- **Mr. Sushil Choksey:**
- Sir, how is the digit....
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- So right now, I don't have breakup of the pipeline. In this gross numbers I am having.
- **Mr. Sushil Choksey:**
- Sir, these....
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- So, regarding these two.
- **Mr. Sushil Choksey:**
- Sir, in view of now everything is getting digitized and initiated. So many other new programmes have been done at Canara. How is the cross-sell working? How many touchpoints from each wallet are we doing? And what is the digital spend we are likely to do this year?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- So, we are very, very conscious about the number of products we can offer to our client. We already have 3000 customer relationship managers, very, very active on that front. So, we want to penetrate the customer not only to the customer but to the family. Now this year these customer relationship officers will be penetrating to the entire family and we have products for that. So, we will try to have more and more wallet share out of each individual sir. And regarding digital penetration sir, we are growing at a very, very

handsome growth. So, for the last year the number was 1,204 crores digital transaction. Prior to that that was 940 crores. So good impressive growth has been seen. Our mobile app is ranked number one in Google Play store. So, people are accustomed to our app and they are popularizing that. So digital transactions are improving sir.

- **Mr. Sushil Choksey:**

- Sir, any update on mutual fund and insurance, sir, and the Can Fin Homes? From your side, not the company's outlook?

- **Mr. S. K. Majumdar - Executive Director, Canara Bank:**

- I want to to what is Any update on Can Fin Homes?

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**

- Okay. So, they have their own individual board sir. They will be announcing that result separately.

- **Mr. Sushil Choksey:**

- No, no, no. I understand that. I am not saying that we are a stakeholder. Every now and then we talk about monetizing that stake. At the same time there are a lot of opportunities to combine.

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**

- Further dilution we don't foresee sir. Already 14.5% in Canara HSBC and 13% in Robeco, we have already done that. And we have gained some 1,930 crores in the previous quarter. Going ahead we don't foresee any dilution.

- **Mr. Sushil Choksey:**

- Thank you for answering all my questions and good luck for the year sir.

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**

- Thank you, sir. Thank you, Sushil.

- **Moderator:**

- Thank you, Sushil sir. The next question is from the line of Mr. Manish. Manish your line is unmuted. You can proceed with your question. Manish are you there? Okay.

- The next question is from the line of Dixit Doshi. Dixit your line is unmuted. You can proceed with your question.
- **Mr. Dixit Doshi:**
- Yeah. Can you hear me?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Yes, Dixit *ji* please go ahead.
- **Mr. Dixit Doshi:**
- Thank you. Thanks for the opportunity and congratulations for a decent performance sir. I have one question. So now as you've mentioned that we are now 20% of our book is now gold loan and recently we had some news of gold loan fraud in April. Some media articles. So, if you can just elaborate a bit that what we are doing to check that... what are the check we do so that these kinds of frauds don't happen?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Sir number of checks we have put in place.
 - One is the entire portfolio of a quarter whatever we have disbursed that gets reappraised in the subsequent quarter.
 - And for high value gold branches we have a plaza, a dedicated officer dealing in gold loans.
 - Third is the security systems we have enhanced. So, where gold loans are more, we have kept additional security guard 24 x 7 for manning these branches.
 - And we have TRTL safe at all these places for safe up keeping of gold.
- So, number of checks and balances are there but one-off incidents keep on occurring. But the NPAs are very, very minimal in gold loan. It's a very, very productive product to us.
- **Mr. Dixit Doshi:**
- Okay. Okay, that answers....
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- And that is insured also.

- **Mr. Dixit Doshi:**
- Okay. So, the question was more towards.... so, there are two type of accident happens. One is that you know some theft happens. So that's a routine. So, it does happen to anyone. But the other thing which happens is if somebody give a fake gold or something like that. So, what we are doing to avoid that thing?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- So, we have panel appraisers in place. So, every quarter the same whatever gold loans we have done that will be reappraised by a different valuer. That will be sent by a regional office. So, regarding spurious quotes and all that will be immediately detected after reappraisal, it goes for reappraisal.
- **Mr. Dixit Doshi:**
- Okay. And any update you have from government side regarding the Full time MD CEO?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- So, we are also waiting sir.
- **Mr. Dixit Doshi:**
- Okay. Okay. That's it from me.
- **Moderator:**
- Thank you. We take one last question which is from the chat box. Can you explain why the yield on advance is declined by only 5 basis points during the quarter in spite of the 25-basis point repo cut impact?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- So, 50% of our portfolio is repo linked. And if you see in the December there was a 25% reduction in repo rate. That is why it has impacted. 5 basis point it has come down.
- **Participant:**
- May I ask one question ma'am, if you permit? If the time permits.
- **Moderator:**
- Yes sir.

- **Participant:**
- Thank you, ma'am. Sir, when we look at our current run rate of operating profits excluding the provisions and the contingency part, we reposted 6,757 as the precise number. So, taking into account the current environment and taking into account the repricing of deposits also if you could just give us some color whether we can defend this operating profit number going ahead because the other are more variable number depending upon how the market dynamics plays out?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- So, we are very, very confident that we will protect because this includes your MTM losses. So very soon some reversal will be seen. Already it is showing in our books. So, we are very confident that it will be protected going ahead.
- **Participant:**
- Okay. And you mentioned that the NIM trajectory will be 2.5 to 2.6 and the ROA will be in the trajectory of 1%. This is what for the current year looks like.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Yes sir. Yes sir.
- **Participant:**
- And the growth in business will be 11 to 12%. That is the advances part, that number you have given.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Yes, but we are confident of exceeding that. So last year also if you see, 10 to 11% guidance was given but we ended up at 15.30%. This year also although it is projected at 11 to 12%, we are confident that we will exceed.
- **Participant:**
- Okay, sir. And last point is what percentage of our deposits are linked to the floating rates. So, they get repriced as soon as there is any change in the interest rate scenario and....
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Deposit nothing is there.

- **Participant:**
- Didn't get you sir.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- In deposit nothing is there which is floating in nature.
- **Participant:**
- Okay, everything is fixed.
- **Mr. S. K. Majumdar - Executive Director, Canara Bank:**
- Not fixed.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Not fixed at demand. There is two categories. One is demand deposits and what is the term deposit. Term deposits are fixed for that particular tenure. Demand deposits can be withdrawn at the will. Savings and current.
- **Participant:**
- Correct sir. Right sir. Thank you, madam, and thank you sir for answering and hope for further interaction going ahead. Thank you. All the best to the team.
- **Moderator:**
- Thank you. There is one last quick question in the chat box. Please share the number on the stage 2 provisioning.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- So, it is yet to be implemented stage 2 provisioning. Once system level implementation takes place then we will share this number.
- **Moderator:**
- Okay.

- **Participant:**
- Excuse me?
- **Moderator:**
- Okay.
- **Participant:**
- I'll be asking just one question.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Yes madam.
- **Participant:**
- Sir firstly, while all the indicative parameters have been projected to grow do you mind going over why earnings per share and return on equity is marked down from the present year numbers?
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Yes madam, you see this year we had a gain of 1,930 crores from delisting.... listing benefits of Canara Robeco and Canara HSBC where we diluted our share in Canara HSBC 14.5% and in Canara Robeco 13%. So, this 1,930 crores will not be there because it is a one-time income. So next year it won't be there. That is why it has been kept at conservative level.
- **Participant:**
- Alright. And the...
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- It is at its.....
- **Moderator:**
- Yeah speak. We take that as the last question for the day and now hand over the call to the management for closing remarks.

- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Thank you, madam. All I can say that this year also what we have given the guidance numbers, last year also apart from two that is CASA and NIM. So, we could achieve all, out of 13 we could achieve 11 parameters. Next year also we are very, very confident whatever guidance has been given we will try to deliver these numbers. Thank you.
- **Moderator:**
- Thank you. That concludes the call for the day.
- **Mr. Hardeep Singh Ahluwalia - MD and CEO, Canara Bank:**
- Thank you.

END OF TRANSCRIPT