केनरा बैंक Canara Bank
भारत सरकार का उपक्रम
A Government of India Undertaking
सिंडिकेट Syndicate

Ref: SD: 252/253/11/12:2026-27 04.09.2026

The Vice President **BSE Limited** **Phiroze Jeejeebhoy Towers** **Dalal Street** **Mumbai - 400 001** Scrip Code: **532483**	**The Vice President** **Listing Department** **National Stock Exchange of India Ltd** **Exchange Plaza** **Bandra-Kurla Complex, Bandra [E]** **Mumbai - 400051** Scrip Code: **CANBK**

Dear Sir/Madam,

Sub: Credit Ratings by India Ratings & Research

Ref: Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015

The Stock Exchanges are hereby informed that Bank received credit rating from India Ratings & Research, Fitch Group (Rating Agency) today i.e. 04.09.2026 as follows:

Instrument	Size of Issue (billion)	Rating assigned with Outlook/Watch	Rating Action
Issuer Rating	-	IND AAA/Stable	Affirmed
Basel III AT1 Bonds	INR 45.0	IND AA+/Stable	Assigned
Infrastructure Bonds	INR 100	IND AAA/Stable	Affirmed
Basel III tier 2 Instruments	INR 95.0	IND AAA/Stable	Affirmed
Basel III AT1 Bonds	INR 120.0	IND AA+/Stable	Affirmed

A copy of the credit rating rationale issued by India Ratings & Research, Fitch Group (Rating Agency) is enclosed herewith.

This is for your information and records.

Thanking You,

SANTOSH KUMAR BARIK
Digitally signed by SANTOSH KUMAR BARIK
Date: 2026.09.04 15:37:13 +05'30'

Santosh Kumar Barik
Company Secretary

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India Ratings & Research
A Fitch Group Company

India Ratings Assigns Canara Bank’s AT1 Bonds ‘IND AA+’; Affirms Existing Ratings

Sep 04, 2026 | Canara Bank | Public Sector Bank

India Ratings and Research (Ind-Ra) has taken the following rating actions on Canara Bank and its debt instruments:

Details of Instruments

Instrument Type	Regulator of Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (INR billion)	Rating Assigned with Outlook/Watch	Rating Action
Issuer rating	#	-	-	-	-	IND AAA/Stable	Affirmed
Basel III AT1 bonds*	Refer ISIN annexure	-	-	-	45	IND AA+/Stable	Assigned
Infrastructure bonds*	Refer ISIN annexure	-	-	-	100	IND AAA/Stable	Affirmed
Basel III Tier 2 Instruments*	Refer ISIN annexure	-	-	-	95	IND AAA/Stable	Affirmed
Basel III AT1 bonds*	Refer ISIN annexure	-	-	-	120	IND AA+/Stable	Affirmed

*Details in annexure

There is no instrument being rated and hence, Regulator of the instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

Analytical Approach

Ind-Ra continues to take a fully consolidated view of Canara and its subsidiaries while arriving at the ratings.

Detailed Rationale of the Rating Action

The ratings factor in Canara’s systemically important position and the likelihood of the bank continuing to receive support from the government of India (GoI). The ratings also factor in Canara’s moderate equity raising ability and the likelihood of a continued improvement in profitability in the near to medium term, which could help the bank maintain its market share in advances and deposits.

For AT1 instruments, the agency considers the discretionary component, coupon omission risk and the write-down/conversion risk as key parameters to arrive at the rating. The agency recognises the unique going-concern loss absorption features that these bonds carry and differentiates them from the bank’s senior debt, factoring in a higher probability of an ultimate loss for investors in these bonds.

List of Key Rating Drivers

Strengths

- High systemic importance - large pan-India franchise

- Adequate capital buffers; internal accruals improved
- High provision coverage provides comfort
- Stable operational metrics

Weaknesses

- Deposit profile improvement to be seen

Detailed Description of Key Rating Drivers

High Systemic Importance - Large Pan-India Franchise: Canara is the fourth-largest public sector bank (PSB) and the sixth-largest bank in India in terms of assets. Its share in net advances improved to 5.9% as of 1QFY27 (FY26: 5.8%; FY25: 5.8%) and that in deposits stood at 6.3% (6.2%; 6.4%). At end-1QFY27, the bank ranked fourth as a lead bank across states, union territories and districts. This, in the agency's view, indicates its role in financial inclusion in the country. It had 10,131 Indian branches and four international branches at end-1QFY27. The bank's common equity tier 1 (CET1) improved to 12.91% in 1QFY27 (FY26: 12.44%; FY25: 12.0%; FY24: 11.6%), it however remained lower than that of most PSBs with comparable net non-performing assets (NPAs). Canara maintains high systemic importance for the GoI, leading to a high likelihood of ordinary and extraordinary support from the GoI, if required

Adequate Capital Buffers; Internal Accruals Improved: The improvement in Canara's CET1 was on the back of an improvement in its return on assets (RoA) to 1.04% in 1QFY27 (FY26: 1.10%; FY25: 1.09%; FY24: 1.01%), which is enhancing the existing capital buffers and serving as growth capital. However, the capital levels remained lower than that of its peers and even larger PSBs. The agency believes Canara's adequate capital buffers, improved operating profits (ROAs at over 1%), and the ability to raise funds from the equity markets provide it adequate leeway to target a credit growth rate of 11%-12% yoy and absorb higher-than-expected credit costs in the medium term.

High Provision Coverage Provides Comfort: Canara's gross NPAs and net NPAs fell to 1.57% at 1QFY27 (FY26: 1.84%; FY25: 2.94%; FYE24: 4.23%) and 0.36% (0.43%; 0.70%; 1.27%), respectively. The bank's gross slippage reduced materially to 0.15% in 1QFY27 (FY26: 0.24%; FY25: 0.26%, FY24: 0.34%). Ind-Ra does not expect the gross slippages trend to significantly deviate from the FY26 levels in the near to medium term. Moreover, Canara's provision cover (excluding technical write-offs) stood at 77.14% in 1QFY27 (FY26: 77.09 %; FY25: 76.7%; FY24: 70.9%). The bank's special mention account assets of over INR50 million accounted for 0.58% of the gross advances as of June 2026, and its restructured assets accounted for a negligible portion of the gross advances. As a result, Ind-Ra expects a limited slippage from these pools. The bank has guided for gross NPAs of 1.50% and net NPA of 0.40% for FY27.

Stable Operational Metrics: Directionally, Canara's operating metrics have been improving since its amalgamation with Syndicate Bank; however, there has been a fair amount of volatility on a quarterly basis, some of which can be attributed to the impact of the COVID-19 pandemic. Owing to a moderation in interest rates in FY25-FY26, Canara's treasury income rose 91.3% yoy to INR69.0 billion and recovery income decline by 4.3% yoy to INR65.4 billion. Its credit cost stood at 59bp in FY26 (FY25: 92bp; FY24: 96bp), supported a 12.7% yoy increase in the overall profitability to INR191.87 billion with ROA of 1.10% (1.09%; 1.01%). As of 1QFY27, credit cost stood at 49 bp.

The bank's net interest margins (NIMs) have moderated recently, largely due to the differences in timing in repricing of advances and deposits. However, the management expects NIM to recover to 2.50%-2.60% in FY27 (FY26: 2.51%; FY25: 2.8%). Even though NIM was under pressure, Canara maintained overall profitability with an ROA of 1.04% in 1QFY27, largely supported by a 19.05% increase in recovery income, which constituted 20% of the overall non-interest income. Ind-Ra considers the levels of stressed corporate assets and special mention accounts as modest, suggesting incremental slippages could be below trend levels, leading to lower credit costs. The agency expects the bank to maintain adequate profitability in the near to medium term with an RoA of around 1%.

Deposit Profile Improvement to be Seen: Canara's low-cost current account and savings account (CASA) deposits stood at 29.7% at 1QFY27 (FY26: 29.8%; FY25: 31.2%; FY24: 32.4%) which were lower than that of most PSBs. The bank is implementing various measures to enhance its CASA ratio and expects it to improve to 32% in FY27. CASA grew about 10.59% yoy in 1QFY27, while total deposits increased 10.06% yoy. The bank's cost of domestic deposits decreased to 5.27% in 1QFY27 (FY26: 5.54%; FY25: 5.74%; FY24: 5.50%) amid deposit repricing; however, yield on advances fell to 8.0% (8.29%; 8.83%), leading to the fall in NIM. Ind-Ra believes the bank must at least maintain its deposit profile to meet its mid-term growth expectations and may need to keep deposit rates higher than that of other banks.

Liquidity

Adequate: At end-1QFY27, Canara maintained an overall funding gap of 5.4% in the cumulative one-year bucket as a percentage of the total assets. It maintains 19.1% of its total assets in balances with the Reserve Bank of India and in government securities to meet its short-term funding requirements. Canara also had a comfortable average consolidated liquidity coverage ratio of 115.25% in 1QFY27 (4QFY26:116.93%), significantly above the regulatory requirement of 100%.

Rating Sensitivities

Positive: Not applicable

Negative: Canara's Basel III Tier 2 bond rating has been equated to its Long-Term Issuer Rating, which could change if, in Ind-Ra's opinion, there is a change in the GoI's support stance or there is a material drop in the bank's systemic importance, which could, among other things, reflect in a material decline in Canara's market share or loss of deposit franchise.

The notching of AT1 bonds could be widened from its anchor ratings if Ind-Ra believes that there is a dilution in the government's support stance towards hybrid instruments or any delay in the timeliness of extending this support. This could reflect among other things in capital buffers continuing to be close to the regulatory levels. Ind-Ra also expects that for banks with weaker unsupported profiles, the capital buffers would be higher; if not, it could reflect in wider notching from the Long-Term Issuer Rating. These capital buffers could be important as the bank's ability to service the instrument could be impaired in the event of operating losses and/or if the capital levels are lower than the regulatory minimum levels.

Any Other Information

Not applicable

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on Canara, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

About the Company

Canara is the fourth-largest PSB and the sixth-largest bank on an overall basis in India in terms of its assets. It has a pan-India presence, with network of more than 10,131 domestic branches at end-1QFY27. Of its branches, about 62 % are based in rural and semi-urban areas, supporting the GoI's initiative of banking for all.

Key Financial Indicators

Particulars (INR billion)	**FY26**	**FY25**
Total assets	18,832.02	16,828.50
Total deposits	15,686.78	14,568.8
Net income/loss	191.87	170.3
CET I (%)	12.4	12.0
Capital adequacy ratio (%)	17.0	16.3
Source: Canara, Ind-Ra		

Status of Non-Cooperation with Previous Rating Agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook/Rating Watch				
	Rating Type	Rated Limits (INR billion)	Rating	13 February 2026	13 August 2025	16 August 2024	20 September 2023	17 August 2023
Issuer rating	Long-term	-	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
Basel III Tier 2 instrument	Long-term	95	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
Basel III AT1 bonds	Long-term	165	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable
Infrastructure Bonds	Long-Term	100	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	-

Disclosure on instruments / activities and names of regulators:

A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by Ind-Ra on its website. A link to the same has been provided below for ready reference:

Rating Activities

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Basel III AT1 bonds	High
Basel III Tier 2 Instruments	Moderate
Infrastructure bonds	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

Annexure

Instrument Type	Regulator of Instruments	ISIN	Date of issuance	Coupon rate (%)	Maturity Date	Issue Size (INR billion)	Rating/ Outlook
Basel III Tier 2 instrument							
Basel III compliant Tier II bonds 2016-17#	SEBI	INE476A08050	27 April 2016	8.4	27 April 2026	30	WD

Instrument Type	Regulator of Instruments	ISIN	Date of issuance	Coupon rate (%)	Maturity Date	Issue Size (INR billion)	Rating/ Outlook
Basel III complaint Tier II bonds	SEBI	INE476A08142	24 December 2021	7.09	24 December 2036	25	IND AAA/Stable
Basel III compliant Tier II bonds	SEBI	INE476A08175	26 August 2022	7.48	26 August 2032	20	IND AAA/Stable
Basel III compliant Tier II bonds	SEBI	INE476A08274	27 February 2026	7.24	27 February 2036	50	IND AAA/Stable
		Utilised limit				95	
	SEBI	Unutilised limits				NIL	
		Total*				95	
Basel III AT1 bonds							
Basel III AT1 perpetual bonds	SEBI	INE476A08126	25 October 2021	8.4	Perpetual	15	IND AA+/Stable
Basel III AT1 perpetual bonds	SEBI	INE476A08134	2 December 2021	8.05	Perpetual	15	IND AA+/Stable
Basel III AT1 perpetual bonds	SEBI	INE476A08159	4 March 2022	8.07	Perpetual	10	IND AA+/Stable
Basel III AT1 perpetual bonds	SEBI	INE476A08167	19 July 2022	8.24	Perpetual	20	IND AA+/Stable
Basel III AT1 perpetual bonds	SEBI	INE476A08183	15 September 2022	7.99	Perpetual	20	IND AA+/Stable
Basel III AT1 perpetual bonds	SEBI	INE476A08241	29 August 2024	8.27	Perpetual	30	IND AA+/Stable
		Utilised limit				110	
	SEBI	Unutilised limit				55	
		Total*				165	
#Paid in full * Does not include withdrawn ISINs Source: NSDL, Canara							

Infrastructure Bonds

Instrument Type	Regulator of instruments	ISIN	Date of Issuance	Coupon Rate(%)	Maturity Date	Issue Size (billion)	Rating/ Outlook
Infrastructure Bonds	SEBI	INE476A08191	27 September 2023	7.54	27 September 2033	50	IND AAA/Stable

Instrument Type	Regulator of instruments	ISIN	Date of Issuance	Coupon Rate(%)	Maturity Date	Issue Size (billion)	Rating/ Outlook
Infrastructure Bonds	SEBI	INE476A08209	29 November 2023	7.68	29 November 2033	50	IND AAA/Stable
		Utilised limit				100	
	SEBI	Unutilised limit				NIL	
		Total				100	
Source: NSDL, Canara							

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About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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APPLICABLE CRITERIA AND POLICIES

Financial Institutions Rating Criteria

Rating Bank Subordinated and Hybrid Securities

The Rating Process

Evaluating Corporate Governance

DISCLAIMER