

Central Bank of India – Q2FY27

Result Update (21.10.2026)



AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

“Strong Credit Momentum with Improved Asset Quality”

Ajcon Global's observations & views

1. Strong traction in RAM advances, supported by healthy retail, agriculture and MSME growth, along with 42% YoY rise in corporate advances, reflects broad-based business momentum. The bank's targeted CASA mobilisation efforts are expected to strengthen its deposit franchise. Meanwhile, expansion of gold lending through dedicated branches, supported by SHG partnerships and improved turnaround times, is expected to support sustained credit growth.
2. Management remains confident of maintaining RoA above 1% and has reiterated its FY27 guidance, providing comfort on the earnings outlook. The estimated ECL provisioning requirement of ₹5,000–5,500 crore remains a key monitorable. However, continued recoveries from written-off accounts and disciplined credit monitoring should support asset quality.

Q2FY27 RESULT ANALYSIS

- 1) **Total business** expanded by 6.75% QoQ to Rs. 889541 Crores in Q2FY27 against Rs. 833320 Crores in Q1FY27 and was up by 20.54% YoY against Rs. 704485 Crores in Q2FY26.
- 2) **Total deposits** increased by 6.17% QoQ to Rs. 508509 Crores in Q2FY27 against Rs. 478972 Crores in Q1FY27 and also, rose by 14.41% YoY from Rs. 444450 Crores in Q2FY26.
- 3) **Gross Advances** rose by 7.53% QoQ to Rs. 381032 Crores in Q2FY27 against Rs. 354348 Crores in Q1FY27 and also grew by 29.83% YoY from Rs. 293488 Crores in Q2FY26.
- 4) **Net interest income** grew by 5.93% QoQ to Rs. 4146 Crores in Q2FY27 against Rs. 3914 Crores in Q1FY27 and was up by 26.29% YoY against Rs. 3283 Crores in Q2FY26.
- 5) **Operating profit** increased by 3.75% QoQ to Rs. 2268 Crores in Q2FY27 against Rs. 2186 Crores in Q1FY27 and was also up by 26.99% YoY against Rs. 1786 Crores in Q2FY26.
- 6) **Net Profit** rose by 10.95% QoQ to Rs. 1469 Crores in Q2FY27 against Rs. 1324 Crores in Q1FY27 and also, went up by 21.10% YoY from Rs. 1213 Crores in Q2FY26.
- 7) **NIM** fell to 3.01% in Q2FY27 against 3.06% in Q1FY27 and improved from 2.89% in Q2FY26.

KEY FINANCIAL INDICATORS – Q2FY27

CMP (21.10.2026)	: Rs. 30.43
Face Value	: Rs. 10
Book value per share	: Rs. 41.15
Market Capitalisation	: Rs. 27,543 Crs.
Capital Adequacy Ratio	: 17.68%
Global C/D ratio	: 75.02%
CASA ratio	: 44.65%
Net Interest Margin (NIM)	: 3.01%
Cost / Income ratio	: 58.95%
Gross NPA	: 2.39%
Net NPA	: 0.31%
PCR	: 97.16%
Slippage ratio	: 0.24%
Return on Assets (Annualised)	: 1.03%
Return on Equity (Annualised)	: 15.78%

- 8) **Cost of deposits** remained flat QoQ at 4.60% in Q2FY27, while declining from 4.88% in Q2FY26 on a YoY basis
- 9) **Cost of Funds** marginally dipped to 4.63% in Q2FY27 from 4.65% in Q1FY27 and also, came down from 4.88% in Q2FY26.
- 10) **Yield on Advances** slightly declined to 7.87% in Q2FY27 against 7.89% in Q1FY27 and also dipped from 8.36% in Q2FY26.
- 11) **Total Non-Interest Income** rose by 39.82% sequentially to Rs. 1380 Crores in Q2FY27 from Rs. 987 crores in Q1FY27 and was down by 6.06% YoY compared to Rs. 1469 Crores in Q2FY26.
- 12) **Fee based income** increased by 30.39% QoQ to Rs. 635 Crores in Q2FY27 from Rs. 487 Crores in Q1FY27 and also, rose by 3.93% YoY from Rs. 611 Crores in Q2FY27.
- 13) **Treasury income** declined by 53.62% QoQ to Rs. 128 Crores in Q2FY27 from Rs. 276 Crores in Q1FY27 and also, down by 31.18% YoY compared to Rs. 186 Crores in Q2FY26.
- 14) **Cost/Income ratio** increased to 58.95% in Q2FY27 against 55.40% in Q1FY27 and also, rose from 62.42% in Q2FY26.
- 15) **The total Government guaranteed advances** declined QoQ to Rs. 8926 Crores in Q2FY27 against Rs. 12260 Crores in Q1FY27 and increased from Rs. 4321 Crores in Q2FY26.
- 16) **CASA ratio** fell to 44.65% in Q2FY27 from 46.61% in Q1FY27 and 46.83% in Q2FY26, respectively.
- 17) **Credit/Deposit (C/D) ratio** rose to 75.02% in Q2FY27 against 74.10% in Q1FY27 and 66.20% in Q2FY26, respectively.
- 18) **Return on assets (ROA)** slightly inched up to 1.03% in Q2FY27 against 1.00% in Q1FY27 and also marginally up from 1.01% in Q2FY26.
- 19) **Fresh slippages** fell to Rs. 734 Crores in Q2FY27 against Rs. 939 Crores in Q1FY27 but slightly increased against Rs. 733 Crores in Q2FY26. Recovery + Upgradation increased to Rs. 860 Crores in Q2FY27 against Rs. 572 Crores in Q1FY27 and also, up from Rs. 557 Crores in Q2FY26.
- 20) **Gross NPA ratio** improved to 2.39% in Q2FY27 against 2.60% in Q1FY27 and 3.01% in Q2FY26, respectively. Net NPA ratio improved to 0.31% in Q2FY27 against 0.49% in Q1FY27 and 0.48% in Q2FY26.
- 21) **Total standard restructured assets** declined to Rs. 3412 Crores in Q2FY27 against Rs. 3818 Crores in Q1FY27 and from Rs. 4491 Crores in Q2FY26, respectively.
- 22) **Credit cost** inched up to 0.53% in Q2FY27 from 0.40% in Q1FY27 and from 0.21% in Q2FY26, respectively.
- 23) **Provision Coverage ratio** improved to 97.16% in Q2FY27 from 95.86% in Q1FY27 and from 96.88% in Q2FY26, respectively.
- 24) **The Bank's Capital Adequacy ratio** dipped to 17.68% in Q2FY27 against 18.28% in Q1FY27 and slightly up from 17.34% in Q2FY26.



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Management Comments

- 25) Answering an analyst's query on business mix and growth drivers within RAM, Shri Kalyan Kumar, MD & CEO of the Bank, highlighted that RAM growth remained strong at 21%. Retail, agriculture and MSME grew by 24.5%, 20% and 17%, respectively. Going forward, gold loans and SHG lending are expected to be key growth drivers. The Bank has 116 customised gold loan branches offering a turnaround time of 30 minutes. Additionally, NRLM tie-ups across 26 states will support SHG lending growth. Within retail, housing loans will remain the key growth driver.
- 26) On the CASA strategy, the MD & CEO highlighted that CASA deposits grew by 9.23% to ₹2.27 lakh crore, supported by the bank's strong franchise and customer acquisition initiatives. The bank is strengthening deposit mobilisation through customer acquisition centres, government business centres and an expanded marketing team. The bank is also scaling up its wealth management services. Credit cards and cash management services are expected to support CASA accretion and salary account acquisition. These initiatives will also create further cross-selling opportunities.
- 27) Discussing the corporate loan book, the MD & CEO noted that it grew by 42% YoY to ₹1.19 lakh crore from ₹83,000 crore in the previous year. The bank has a corporate loan pipeline of approximately ₹24,000 crore, comprising ₹7,000 crore in undisbursed sanctions, ₹5,000 crore under process and ₹11,000+ crore under consideration. The bank's key focus areas include roads and infrastructure, data centres, technology, lease rental discounting (LRD), agri-food processing, NBFC financing and hospitality.
- 28) Addressing the analyst's query on the Expected Credit Loss (ECL) provisioning framework, Shri Kumar highlighted that the bank has already provided ₹1,525 crore towards Stage 1 and Stage 2 provisions, while maintaining 100% provisioning for Stage 3 assets. The bank is strengthening its models and data quality ahead of the proposed implementation from 1 April 2027. The estimated ECL provisioning requirement of ₹5,000–5,500 crore is expected to be comfortably absorbed, supported by the Bank's strong profitability.
- 29) In response to an analyst's query on recovery prospects, the MD & CEO stated that the Bank recovered ₹485 crore from written-off accounts during the quarter. The outstanding pool of written-off accounts stands at ₹31,301 crore, with the Bank expecting annual recoveries of over ₹2,500 crore from this segment. The Bank also expects to recover ₹700 crore from an aviation account through the ongoing SARFAESI auction process in the current or next quarter. Further, a digital OTS scheme for smaller accounts and intensified property auctions are expected to boost recoveries and improve asset quality.
- 30) Addressing an analyst's query on credit cost under the ECL regime, Shri Kumar guided for credit cost to remain below 0.75% on a quarterly basis in FY27. This is expected to be supported by improved credit underwriting through Credit Processing Centres (CPCs), strengthened post-disbursement monitoring and technology-driven early warning mechanisms to maintain asset quality.
- 31) On ROA sustainability, the MD & CEO expressed confidence in maintaining ROA above 1%, supported by a strong CASA base, low-cost deposit mobilisation, and growth in gold loans and SME lending. He also highlighted that 61% of the loan book is linked to external benchmarks, which could provide potential benefits in a rising interest rate environment.
- 32) While discussing the treasury outlook, Shri Kumar noted that treasury operations are likely to remain challenging in the near term due to rising yields, inflationary pressures and global market volatility. The impact is expected to be more pronounced in the AFS portfolio. The Bank earned ₹56 crore through IPO participation. Going forward, it plans to optimise returns through prudent portfolio management and reinvestment of maturing securities at higher yields.