

Ref: SD: 491/492/11/12:2025-26

13.02.2026

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
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Dear Sir/Madam,

Sub: Credit Ratings by India Ratings & Research

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

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, the Exchanges are hereby informed that Bank received credit rating from India Ratings & Research, Fitch Group (Rating Agency) today i.e. 13.02.2026 as follows:

Instrument	Size of Issue (billion)	Rating assigned with Outlook/Watch	Rating Action
Issuer Rating	-	IND AAA/Stable	Affirmed
Infrastructure Bonds	INR 100	IND AAA/Stable	Affirmed
Basel III tier 2 Instruments	INR 75 (Reduced from INR 99)	IND AAA/Stable	Affirmed
Basel III tier 2 Instruments	INR 50	IND AAA/Stable	Assigned
Basel III AT1 Bonds	INR 120.0 (Reduced from INR 149.361)	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.

Yours faithfully,

Santosh Kumar Barik
Company Secretary

India Ratings Assigns Canara Bank's Basel 3 Tier 2 Bonds 'IND AAA/Stable; Affirms Existing Ratings

Feb 13, 2026 | 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	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating assigned with Outlook/Watch	Rating Action
Issuer rating	-	-	-	-	IND AAA/Stable	Affirmed
Infrastructure bonds*	-	-	-	INR100	IND AAA/Stable	Affirmed
Basel III tier 2 instruments*	-	-	-	INR75 (reduced from INR99)	IND AAA/Stable	Affirmed
Basel III tier 2 instruments*	-	-	-	INR50	IND AAA/Stable	Assigned
Basel III AT1 bonds*	-	-	-	INR120.0 (reduced from INR149.361)	IND AA+/Stable	Affirmed

*Details in annexure

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 rating also considers 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
- Capital buffers adequately placed; internal accruals ~~improved~~
- High PCR provides comfort
- Stability in 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 1HFY26 (FY25: 5.8%) and that in deposits stood at 6.6% (6.4%). At 1HFY26, 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. At 3QFY26, the bank had 10,066 Indian branches and four international branches. While the bank's common equity tier 1 (CET1) improved to 12.37% in 3QFY26 (FY25: 12.0%; FY24: 11.6%; FY23: 11.59%), lower than that of most PSBs with comparable net non-performing assets (NPAs). Despite not raising equity capital in FY25, the bank continued to issue AT1 and tier 2 bonds. Canara maintains high systemic importance for the GoI, leading to a high likelihood of ordinary and extraordinary support from the GoI, if required

Capital Buffers Adequately Placed; Internal Accruals Improved: The improvement in Canara's CET1 was on the back of an improvement in its return on assets (RoA) to 1.13% in 9MFY26 (FY25: 1.1%; FY24: 1.0%; FY23: 0.82%), which is enhancing the existing capital buffers and serving as growth capital. Risk weighted assets to net advances considerably improved to 69% in 9MFY26 (FY22: 77%), aiding its capital buffers. However, the capital levels remained lower than that of its peers and even larger PSBs. The agency believes Canara's 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%-13% yoy and absorb higher-than-expected credit costs in the medium term.

High PCR Provides Comfort: Canara's gross non-performing assets (NPAs) and net NPAs fell to 2.08% at 3QFY26 (FY25: 2.94%; FY24: 4.23%; FY23: 5.4%) and 0.45% (0.70%; 1.27%; 1.73%), respectively. The bank's gross slippage reduced materially to 0.64% in 9MFY26 (FY25: 0.92%, FY24: 1.56%; FY23: 1.7%). Ind-Ra does not expect the gross slippages trend to significantly deviate from the FY25 levels in the near to medium term. Canara's provision cover (excluding technical write-offs) stood at 78.6% in 3QFY26 (FY25: 76.7%; FY23: 70.9%; FY23: 68.9%). The bank's special mention account assets of over INR50 million accounted for 0.69% of the gross advances as of December 2025, 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 2.5% and net NPA of 0.6% for FY26.

Stability in 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, Canara's treasury income rose 45.3% yoy to INR36.1 billion and recovery income rose 14.5% yoy to INR68.3 billion. Its credit cost stood at 88bp in FY25 (FY24: 1.1%; FY23: 1.77%), supported a 17% yoy increase in the overall profitability to INR170.3 billion with ROA of 1.1% (1.0%; 0.82%).

The bank's net interest margins (NIMs) moderated to 2.50% in 9MFY26 (FY25: 2.80%), largely due to the differences in timing in repricing of advances and deposits. However, the management expects NIM to recover to 2.75%-2.80% in FY26 (FY25: 2.8%; FY24: 3.05%). Even though NIM was under pressure, Canara has been able to protect the overall profitability with ROA of 1.13% in 9MFY26, largely supported by stronger growth in treasury income and recovery income at 154% and 12%, respectively, and constituted 30% and 22% of overall non-interest income. Also, its credit costs stood at 85bp in 9MFY26 (9MFY25: 95bp). 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. Ind-Ra expects the bank's credit costs to remain around 1.0% per year over the medium term. 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 29.5% at 3QFY26 (FY25: 31.2%; FY24: 32.4%; FY23: 31.1%) 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 FY26. The CASA grew about 9.3% yoy in 9MFY26, while total deposits increased 11.1% yoy. The bank's cost of domestic deposits

decreased to 5.62% in 3QFY26 (FY25: 5.74%; FY24: 5.50%; FY23: 4.3%) amid deposit repricing; however, yield on advances fell to 8.34% (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-4QFY25, Canara maintained an overall funding gap of 5.0% in the cumulative one-year bucket as a percentage of the total assets. It maintains 24.8% 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 151.1% in 4QFY25 (4QFY24: 129%), 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 10,066 domestic branches at end-3QFY26. 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)	FY25	FY24
Total assets	16,828.50	14,915.4
Total deposits	14,568.8	13,123.7
Net income/loss	170.3	145.5
CET 1 (%)	Internal	12.0
Capital adequacy ratio (%)		16.3

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 (billion)	Rating	13 August 2025	16 August 2024	20 September 2023	17 August 2023	18 August 2022	12 July 2022
Issuer rating	Long-term	-	IND AAA/Stable	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	INR125	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	Ind AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
Basel III AT1 bonds	Long-term	INR120	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable
Infrastructure Bonds	Long-Term	INR100	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	-	-	-	-

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	ISIN	Date of issuance	Coupon rate (%)	Maturity Date	Issue Size (billion)	Rating/Outlook
Basel III Tier 2 instrument						
Basel III Tier II bonds 2015-16 (Series I)	INE476A09264#	31 December 2015	8.4	31 December 2025	INR15	WD
Basel III Tier II bonds 2015-16 (Series II)	INE476A08043#	7 January 2016	8.4	7 January 2026	INR9	WD
Basel III compliant Tier II bonds 2016-17	INE476A08050	27 April 2016	8.4	27 April 2026	INR30	IND AAA/Stable
Basel III compliant Tier II bonds	INE476A08142	24 December 2021	7.09	24 December 2036	INR25	IND AAA/Stable
Basel III compliant Tier II bonds	INE476A08175	26 August 2022	7.48	26 August 2032	INR20	IND AAA/Stable
	Utilised limit				INR75	
	Unutilised limits				INR50	
	Total*				INR125	
Basel III AT1 bonds Internal						
Basel III AT1 perpetual bonds	INE476A08084#	11 September 2020	8.3	Perpetual	INR10.12	WD

Basel III AT1 perpetual bonds	INE476A08092#	29 September 2020	8.3	Perpetual	INR1.691	WD
Basel III compliant Additional Tier I S III	INE476A08100#	31 December 2020	8.5	Perpetual	INR16.35	WD
Basel III compliant Additional Tier I S IV	INE476A08118#	2 February 2021	8.3	Perpetual	INR1.2	WD
Basel III AT1 perpetual bonds	INE476A08126	25 October 2021	8.4	Perpetual	INR15	IND AA+/Stable
Basel III AT1 perpetual bonds	INE476A08134	2 December 2021	8.05	Perpetual	INR15	IND AA+/Stable
Basel III AT1 perpetual bonds	INE476A08159	4 March 2022	8.07	Perpetual	INR10	IND AA+/Stable
Basel III AT1 perpetual bonds	INE476A08167	19 July 2022	8.24	Perpetual	INR20	IND AA+/Stable
Basel III AT1 perpetual bonds	INE476A08183	15 September 2022	7.99	Perpetual	INR20	IND AA+/Stable
Basel III AT1 perpetual bonds	INE476A08241	29 August 2024	8.27	Perpetual	INR30	IND AA+/Stable
	Utilised limit				INR110.0	
	Unutilised limit				INR10.0	
	Total*				INR120.0	

#Paid in full

* Does not include withdrawn ISINs

Source: NSDL, Canara

Infrastructure Bonds

Instrument Type	ISIN	Date of Issuance	Coupon Rate(%)	Maturity Date	Issue Size (billion)	Rating/Outlook
Infrastructure Bonds	INE476A08191	27 September 2023	7.54	27 September 2033	INR50.0	IND AAA/Stable
Infrastructure Bonds	INE476A08209	29 November 2023	7.68	29 November 2033	INR50.0	IND AAA/Stable
	Utilised limit				INR100.0	
	Unutilised limit				NIL	
	Total				INR100.0	

Source: NSDL, Canara

Contact

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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

Evaluating Corporate Governance

Financial Institutions Rating Criteria

Rating Bank Subordinated and Hybrid Securities

The Rating Process

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Internal