

Central Bank of India

June 18, 2026

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|------------------------|--|---------------------|---------------|
| Certificate of deposit | 20,000.00 (Enhanced from 10,000.00) | CARE A1+ | Reaffirmed |

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

Reaffirmation of the rating of the certificate of deposit (CD) programme of Central Bank of India (CBI) factors in improvement in capitalisation levels from equity infusion by the Government of India (GoI) in the past, strengthened internal accruals and equity capital raised in the recent years. The rating continues to factor in majority ownership of and demonstrated support from the GoI in terms of funding, management and governance. The rating also factors in long track record of operations with established pan-India business franchise, diversified advances book with focus on non-corporate advances and deposit base with sizeable current account and savings account (CASA) proportion.

GoI has infused total equity capital of ₹21,835 crore in FY16 to FY23 into the bank. CARE Ratings Limited (CareEdge Ratings) expects continuation of strong funding support by the GoI on need basis. The bank last raised equity capital of ₹1,500 crore in FY25 through a qualified institutional placement (QIP) of equity shares helping the bank to maintain adequate capitalisation levels to fund credit growth. In May 2026, GoI came out with an offer for sale (OFS), to enable CBI to comply with the minimum public shareholding norms of Securities and Exchange Board of India (SEBI), post which GoI's shareholding reduced to 81.19% from 89.27% as on March 31, 2026.

However, the rating factors in the bank's moderate-yet-improving, asset quality and profitability.

CareEdge Ratings expects the bank to maintain net interest margin (NIM) supported by its ability to maintain CASA mix amid challenging deposit mobilisation conditions across banking sector. The bank's ability to manage slippages amid the current macroeconomic environment will remain a key monitorable.

Rating sensitivities: Factors likely to lead to rating actions:

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Not applicable

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Reduction in government support and ownership below 51%.
- Deterioration in asset quality, with gross non-performing assets (GNPA) of 5% or more on a sustained basis.
- Deterioration in capitalisation levels with cushion above the minimum regulatory requirement remaining lower than 100 bps on a sustained basis.

Analytical approach: Standalone

The rating is based on standalone financial profile of CBI and factors in strong and continued support from the GoI, which holds majority shareholding in the bank.

Outlook: Not applicable

Detailed description of key rating drivers:

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Key strengths

Majority ownership and support by GoI

GoI continues to be the majority shareholder in CBI. Although, it offloaded 8.08% of stake in the bank through OFS reducing the shareholding to 81.19% as on May 26, 2026, GoI continues to remain the majority shareholder in the bank. GoI has been supporting public sector banks with regular capital infusions and has undertaken steps to improve capitalisation, operational efficiency and asset quality considering the critical role and importance of public sector banks in the overall economy. CBI cumulatively received equity capital of ₹21,835 crore from the GoI in FY16-FY23.

CareEdge Ratings expects GoI to continue to support public sector banks including CBI, considering majority ownership and their importance to the financial sector.

Comfortable capitalisation levels

Aided by regular equity infusion by the GoI, improvement in asset quality and profitability in recent years leading to accretion to net worth, the capitalisation profile of CBI improved over the years. The bank also raised ₹1,500 crore equity capital through QIP in March 2025.

The bank's capital adequacy levels remained comfortably above regulatory requirement as the bank reported total capital adequacy ratio (CAR) of 17.91% (CET-1 and Tier-I: 15.61%) as on March 31, 2026 (March 31, 2025: CAR: 17.02% and CET-I ratio/Tier-I CAR: 14.73%), against regulatory requirement of CAR of at least 11.5%. Capitalisation ratios were in line with those for public sector banks (PSB). The bank has indicated that based on its preliminary calculations, transition to ECL Norms from April 01, 2027, will have an impact of ~₹4,000 crore, while it holds provision of ₹1,525 crore which would have an impact of ~110 bps on capital adequacy ratio. Board approval is in place for raising capital aggregating to ₹7,000 crore in FY27 subject to necessary regulatory approvals.

However, capital adequacy ratios remain relatively moderate compared to larger peers. Given majority ownership by GoI, CBI is expected to receive timely and adequate support in the form of capital. CareEdge Ratings expects the bank to maintain capital cushion of at least 100 bps above minimum regulatory requirement in the near term.

Diversified advances profile with high share of retail advances

The bank has seen significant growth in advances in the last five years and its net advances grew at ~19% in FY26 compared to industry growth of ~16%. The bank's gross advances stood at ₹3,44,516 crore as on March 31, 2026, against ₹2,90,101 crore as on March 31, 2025, registering growth of ~19%.

The bank continued focusing on the segments of retail, agriculture and MSME (RAM), which constituted major portion of advances. The share of RAM advances to total advances increased marginally from 66.90% on March 31, 2025, to 68.09% on March 31, 2026. Within RAM advances, major segment was retail, constituting ~30% of total advances led by home loans (constituting 57% of retail loans). Agriculture loan portfolio and MSME loans constituted ~18% and ~20% of total advances, respectively, as on March 31, 2026.

Established franchise with strong deposit base and comfortable CASA proportion

The bank has a track record of over a century and has developed a pan-India business franchise with a network of 4,585 branches and 3,819 ATMs as on March 31, 2026. CBI's deposits grew ~13% in FY26, with deposits increasing from ₹4,12,697 crore on March 31, 2025, to ₹4,67,922 crore on March 31, 2026. CASA deposits grew at a slower pace of ~10%. While the proportion of CASA deposits declined marginally from 48.75% as on March 31, 2025, to 47.18% as on March 31, 2026, it remained among the highest within public sector banks (PSBs).

The bank's deposit profile remained granular with retail term deposits constituting ~85% of the overall term deposits as on March 31, 2026, compared to ~89% as on March 31, 2025. However, sustenance of CASA deposits at present levels, with the bank's ability to raise deposits at competitive rates, while maintaining its margin, remains a key monitorable.

Key weaknesses

Moderate but improving asset quality parameters

CBI's asset quality parameters have seen improvement in the last few years as the bank has written-off significant amount of NPAs and recoveries in the last five years. CBI's asset quality parameters showed continuous improvement post peaking with GNPA ratio of 21.48% and net NPA (NNPA) ratio of 11.10% on March 31, 2018, largely due to exposure to weaker large-ticket corporate accounts.

The bank reported GNPA ratio of 2.67% and NNPA ratio of 0.49% on March 31, 2026, against GNPA of 3.18% and NNPA ratio of 0.55% on March 31, 2025, primarily driven by lower incremental slippages and write offs, and recoveries and upgrades. The bank's slippage ratio for FY26 was 1.16% (PY: 1.45%). The bank has been providing for its NPA and its provision coverage ratio (PCR) without technically written off accounts, stood at 81.86% as on March 31, 2026 (PY: 83.27%).

The bank saw cumulative recovery of ₹10,650 crore and write-offs of ₹26,552 crore of NPAs in the last five years, resulting in moderation in GNPA ratio.

The bank's net stressed assets (NNPA + net standard restructured advances + net security receipts) to net worth stood at 17.11% on March 31, 2026, against 22.27% on March 31, 2025. CareEdge Ratings expects the level of incremental slippages to remain lower resulting in improvement in asset quality going forward.

Moderate profitability with impact on margin despite lower credit costs

Advances grew by ~19% in FY26, however, interest income growth remained subdued at ~7%, primarily due to lower yield on advances following the transmission of rate cuts, while the cost of deposits remained broadly stable due to lagged repricing. Consequently, the bank's net interest income increased by ~2% in FY26 to ₹14,170 crore against ₹13,897 crore in FY25, while the bank's NIM decreased from 3.05% in FY25 to 2.79% in FY26. Non-interest income increased from ₹5,641 crore in FY25 to ₹6,316 crore in FY26 mainly driven by higher recovery from written off accounts, which was partially offset by lower treasury income. Operating expenses to average total assets decreased and stood at 2.36% in FY26 against 2.51% in FY25. Due to the above factors the pre provisioning operating profit (PPOP) increased by ~4%. Credit cost decreased and stood at 0.40% in FY26 against 0.70% in FY25.

The bank reported profit after tax (PAT) of ₹4,369 crore on total income of ₹42,341 crore against PAT of ₹3,785 crore on total income of ₹39,308 crore in FY25. The bank remeasured deferred tax asset (DTA) considering shift towards new income tax regime and took an impact of ₹632 crore. Thus, the bank's return on total assets (ROTA) improved and stood at 0.86% in FY26 against 0.83% in FY25. ROTA adjusting for the one-time impact considering DTA stands at 0.98% for FY26.

CareEdge Ratings expects the bank to maintain NIM supported by its ability to maintain CASA mix amid challenging deposit mobilisation conditions across banking sector.

Liquidity: Strong

Per the asset-liability maturity (ALM) statement submitted by bank as on March 31, 2026, there were no cumulative negative mismatches up to 3-month buckets. Negative mismatches in longer tenure buckets are due to maturity of term deposits; however, the bank has indicated strong roll over rate of term deposits. CBI's liquidity coverage ratio (LCR) and Net Stable Funding Ratio (NSFR) remained comfortable and stood at 165.67% and 136.91% respectively as on March 31, 2026, against regulatory requirements of 100%.

The bank had excess statutory liquidity ratio (SLR) investments of ~₹13,023 crore as on March 31, 2026 (constituting 2.7% of Net Demand and Time Liabilities). The bank also has access to systemic liquidity like RBI's liquidity adjustment facility (LAF) and marginal standing facility (MSF) facility and access to refinance from financial institutions and access to call money markets.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks:

While CBI's business model limits its direct exposure to environmental risks, credit risk may arise, if operations of any asset class in the portfolio are adversely impacted by environmental factors.

Social risks in the form of cybersecurity threat or customer data breach or mis-selling practices can affect the bank's regulatory compliance and reputation and hence remains a key monitorable.

As on March 31, 2026, CBI's Board comprises nine Directors, with three Independent Directors.

Applicable criteria

[Definition of Default](#)
[Factoring Linkages Government Support](#)
[Rating Outlook and Rating Watch](#)
[Banks](#)
[Financial Ratios - Financial Sector](#)
[Short Term Instruments](#)

About the company and industry

Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|-------------------------|--------------------|----------|--------------------|
| Financial services | Financial services | Banks | Public sector bank |

CBI founded on December 21, 1911, was the first commercial bank to be established in India. CBI functioned as a private sector bank until 1969. In 1969, CBI and 13 other banks were nationalised. As on March 31, 2026, GoI held 81.19% shareholding in the bank. As on March 31, 2026, CBI had a network of 4,585 branches, 3,819 ATMs across the country. Post the asset quality review (AQR) by the RBI, CBI saw significant increase in its NPAs resulting in the bank having to make provisions, which impacted the bank's profitability and capital adequacy from FY16-FY21. CBI was put in the prompt corrective action (PCA) framework by the RBI in June 2017 and was subsequently removed from the PCA in September 2022, after it met parameters under the framework. CBI has two subsidiaries including Centbank Home Finance Limited (64.4% ownership) and Centbank Financial Services Limited (100% ownership). CBI has three associates comprising two insurance companies, Generali Central Life Insurance Company Limited and Generali Central Insurance Company Limited, and its joint venture in Zambia named Indo Zambia Bank Limited, which is promoted jointly by the Government of Zambia and three Indian banks including CBI, Bank of Baroda and Bank of India. Each Indian bank holds 20% equity, and the Government of the Republic of Zambia holds 40% equity.

| Brief Financials (₹ crore) | March 31, 2025 (A) | March 31, 2026 (A) |
|---------------------------------------|--------------------|--------------------|
| Total income | 39,308 | 42,341 |
| Profit after tax (PAT) | 3,785 | 4,369 |
| Total assets | 4,72,061 | 5,43,991 |
| Net interest margin (NIM) (%) | 3.05 | 2.79 |
| Gross non-performing assets (NPA) (%) | 3.18 | 2.67 |
| Net NPA (%) | 0.55 | 0.49 |
| Capital adequacy ratio (CAR) (%) | 17.02 | 17.91 |

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

List of Facilities/Instruments and FSRs: Annexure-6

Annexure-1: Details of instruments/facilities

| Name of the Instrument | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|-----------------------------------|--------------|-------------------------------|-----------------|----------------------------|-----------------------------|------------------------------------|
| Certificate Of Deposit | INE483A16KO8 | 17-04-2026 | 6.15 | 01-07-2026 | 500.00 | CARE A1+ |
| Certificate Of Deposit | INE483A16KP5 | 08-05-2026 | 6.57 | 07-08-2026 | 800.00 | CARE A1+ |
| Certificate Of Deposit | INE483A16KQ3 | 11-05-2026 | 6.57 | 10-08-2026 | 1,200.00 | CARE A1+ |
| Certificate Of Deposit | INE483A16KR1 | 02-06-2026 | 7.45 | 01-09-2026 | 1,000.00 | CARE A1+ |
| Certificate Of Deposit | INE483A16KR1 | 02-06-2026 | 7.37 | 01-09-2026 | 1,500.00 | CARE A1+ |
| Certificate Of Deposit | INE483A16KS9 | 05-06-2026 | 7.38 | 04-09-2026 | 500.00 | CARE A1+ |
| Certificate Of Deposit | INE483A16KT7 | 09-06-2026 | 7.25 | 08-09-2026 | 1,000.00 | CARE A1+ |
| Certificate Of Deposit | INE483A16KU5 | 10-06-2026 | 7.05 | 09-09-2026 | 1,000.00 | CARE A1+ |
| Certificate Of Deposit | INE483A16KV3 | 11-06-2026 | 6.96 | 10-09-2026 | 1,000.00 | CARE A1+ |
| Certificate Of Deposit | INE483A16KW1 | 15-06-2026 | 6.96 | 11-09-2026 | 1,200.00 | CARE A1+ |
| Certificate Of Deposit (proposed) | - | - | - | - | 10,300.00 | CARE A1+ |

Annexure-2: Rating history for last three years

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating History | | | |
|---------|--|-----------------|------------------------------|----------|---|---|---|---|
| | | Type | Amount Outstanding (₹ crore) | Rating | Date(s) and Rating(s) assigned in 2026-2027 | Date(s) and Rating(s) assigned in 2025-2026 | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 |
| 1 | Certificate Of Deposit | ST | 20000.00 | CARE A1+ | - | 1)CARE A1+ (12-Dec-25) | 1)CARE A1+ (04-Dec-24) | 1)CARE A1+ (01-Feb-24) |

ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

| Sr. No. | Name of the Instrument | Complexity Level |
|---------|------------------------|------------------|
| 1 | Certificate Of Deposit | Simple |

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

| Sr. No. | Facilities/Instruments Name | Regulator of the Instruments ² |
|---------|--|--|
| 1. | Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities) | SEBI |
| 2. | Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities) | MCA |
| 3. | Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) * | SEBI |
| 4. | Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) * | SEBI |
| 5. | Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) * | RBI |
| 6. | Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year | RBI |
| 7. | Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year | RBI |
| 8. | Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^ | RBI |
| 9. | External Commercial Borrowings and Other Similar Borrowings | RBI |
| 10. | Certificates of Deposit | RBI |
| 11. | Fixed Deposits Raised by Banks, NBFCs, HFCs, Fis | RBI |
| 12. | Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs | MCA |
| 13. | Inter Corporate Deposits / Loans Extended by Corporates | MCA |
| 14. | Borrowing Programme ~ | - |
| 15. | Issuer Ratings # | - |
| 16. | Credit Ratings for Capital Protection Oriented Schemes (By Mutual Funds and AIFs) | SEBI |
| 17. | Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| 18. | Listed Security Receipts | SEBI |
| 19. | Unlisted Security Receipts | RBI |
| 20. | Independent Credit Evaluation (ICE) | RBI |
| 21. | Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs) | RBI |
| 22. | Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)) | SEBI |
| 23. | Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)) | MCA |
| 24. | Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) * | Investor-side regulator such as IRDAI, PFRDA @ |

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

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.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / 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.

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

²SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Contact us

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|---|---|
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