

PRESS RELEASE

Net Profit for Q3 at ₹656 crore, up by 60.3%
Global Business at ₹7.75 lakh crore, up by 11.2%

Major Highlights - Q3FY15

- Net profit at ₹656 crore, up by 60.3%.
- Operating Profit up by 13% y-o-y to ₹1797 crore.
- Total Fee income up by 38.2% to ₹1176 crore from ₹851 crore last year.
- Total Business at ₹7.75 lakh crore, up by 11.2% y-o-y.
- Total Deposits at ₹4.62 lakh crore, up by 13.1% y-o-y.
- Advances (net) at ₹3.12 lakh crore, moderated growth rate at 8.5% y-o-y.
- Continued robust growth in Retail Segments - Priority Credit - (21%), Agriculture (24%), MSME (19.5%), MSE (25%), Retail Lending (22%), Direct Housing Loans (30%), Vehicle Loans (30%) and other personal loans (95%).
- Gross NPA Ratio at 3.35% and net NPA Ratio at 2.42%.
- Record Cash Recovery during 9M FY15 at ₹4427 crore compared to ₹3135 crore last year.
- Recovery from prudentially written off accounts in 9MFY15 at ₹1203 crore (16.29% of outstanding amount). Upgradation during 9M was at ₹1574 crore.
- Provision Coverage Ratio improved to 59.44% compared to 57.39% last year.
- Net Interest Margin (NIM) (Domestic) increased to 2.36% and NIM (Global) at 2.24%.
- 1091 branches and 3056 ATMs added y-o-y and 893 branches and 1287 ATMs during the 9MFY15, taking the total to 5648 branches and 7599 ATMs.
- Enhanced E-transactions to 45.35% from 43.75% last year.

Income and Expenses - Q3 FY15

- Total income for Q3FY15 increased to ₹12228 crore, with a y-o-y growth of 11.8%.
- Income from loans/advances increased to ₹8064 crore, with a y-o-y growth of 9.6%.
- Non-interest income for the quarter increased by 38.2% to ₹1176 crore.
- Total expenses for the quarter increased by 11.6% to ₹10431 crore. The increase in Operating Expenses was at 18.3% to ₹1759 crore.
- Net interest income for the quarter increased by 6.9% to ₹2380 crore.
- NIM (Domestic) improved to 2.36% from 2.35% last year and NIM (Global) improved to 2.24% from 2.21% last year.

Profits and Profitability - Q3 FY15

- Operating Profit for the quarter was at ₹1797 crore, up by 13% y-o-y.
- Total provision for the quarter was at ₹1141 crore compared to ₹1182 crore for Q3FY14. The provision for NPAs during the quarter was ₹952 crore.

- **Net profit** for Q3FY15 increased to ₹656 crore compared to ₹409 crore, an increase of 60.3% y-o-y.
- While **Earnings per Share (EPS)** for the quarter was at ₹14.22, **Book Value** rose to ₹554.93 compared to ₹518.61 as at December 2013.

First Nine Months (9M) Performance

- **Operating profit** rose to ₹5218 crore compared to ₹4914 crore a year ago, registering a y-o-y growth of 6.2%. **Net Profit** for 9MFY15 aggregated to ₹2090 crore compared to ₹1827 crore a year ago, up by 14.4%.
- **Net Interest Income** increased to ₹7178 crore, with a y-o-y growth of 12%.
- **Total income** rose by 12.6% to ₹35871 crore, including ₹23973 crore income from loans/advances.
- **Non-interest income** increased to ₹3224 crore, up by 12.6%.

Business Performance

- **Global Business** of the Bank rose to ₹774718 crore compared to ₹696624 crore as at December 2013, with a y-o-y growth of 11.2%.
- **Global Deposits** of the Bank increased to ₹462450 crore compared to ₹408924 crore as at December 2013, with a growth of 13.1%. Market share improved to 4.96%.
- **Global Advances (Net)** reached a level of ₹312269 crore compared to ₹287700 crore as at December 2013, with a growth of 8.5%. Market share improved to 4.55%.
- The Bank's **domestic business** constituted 94% of the total business. Total business of the foreign branches increased to ₹46037 crore from ₹39788 crore last year.
- The Bank's **CASA deposits** to domestic deposits stood at 24.05%. The Bank's CASA deposits increased to ₹105019 crore as at December 2014 compared to ₹94465 crore as at December 2013, registering a y-o-y growth of 11.2%.
- The Bank's **clientele base** increased to 6.32 crore, comprising 5.61 crore under deposit and 71 lakh under borrowal accounts. About 93 lakh clientele added during the year.
- While **Business per Employee** stood at ₹13.78 crore, **Business per Branch** was at ₹137.17 crore.

Capital Adequacy under New Basel III norms

- **Capital Adequacy Ratio as per Basel III norms** stood at 9.87% (as against mandatory requirement of 9%). CET ratio at 6.97% (against mandatory requirement of 5.5%) and Tier I ratio of 7.23% (as against mandatory requirement of 7%).
- Adequate headroom available to raise capital to support business growth momentum. Government shareholding is at 69%.

Asset Quality

- Reflecting continuing stress scenario at the industry level, the Bank's **gross NPA** stood at ₹10574 crore, with a gross NPA ratio of 3.35% compared to 2.79% last year.
- **Net NPA** stood at ₹7556 crore, with a net NPA ratio of 2.42% compared to 2.39% last year.
- **Cash Recovery** during Q3FY15 amounted to a record ₹1214 crore compared to ₹1212 crore for the same quarter a year ago. Cash Recovery during the nine months aggregated to ₹4427 crore compared to ₹3135 crore during the corresponding period last year.

- The Bank's **outstanding restructured portfolio** at ₹25400 crore constituted 8.04% for the gross advances.
- **Provision Coverage Ratio** improved to 59.44% compared to 57.39% last year.

Diversified Credit Portfolio

- Outstanding advances to various **Priority Segments** rose to ₹112693 crore compared to ₹93018 crore as at December 2013, with a y-o-y growth of 21.2%.
- Advances under **Agriculture** portfolio increased by 23.6% y-o-y to reach ₹56474 crore, achieving 19.53% to ANBC as against the mandated target of 18%.
- Credit to **Micro, Small and Medium Enterprises (MSMEs)** reached ₹56969 crore, with a y-o-y growth of 19.5%.
- Credit to **M&SE** reached ₹43408 crore, with a y-o-y growth of 24.8% (against mandated norm of 20%). The **number of micro enterprises accounts** recorded a growth of 32.7% against mandated norm of 10%.
- Credit to **Weaker Sections** increased by 25.2% to ₹35653 crore and accounted for 12.33% to ANBC against the mandated norm of 10%.
- Credit to **women beneficiaries** increased to ₹37179 crore (12.86% against 5% norm).
- **Retail lending portfolio** increased to ₹40172 crore, with a y-o-y growth of 22.3%. The share of retail credit in domestic advances increased to 13.7% compared to 12% last year.
- Outstanding **housing loan portfolio** increased to ₹20882 crore, constituting around 52% of the total retail lending portfolio.
- **Vehicle loans** registered a growth of 30% to reach ₹3628 crore.
- **Education loan portfolio** rose to ₹5492 crore, with y-o-y growth of 14.6% and covering 2.67 lakh students.

Performance under Pradhan Mantri Jan Dhan Yojana (PMJDY)

- Opened 51.96 lakh a/cs under PMJDY and secured a CASA deposit of ₹728.79 crore.
- 46.65 lakh Personalized RuPay debit Cards have been issued so far to the PMJDY account holders.
- All allotted 3962 Sub-Service Areas & 3371 Wards covered by opening of 802 Brick & Mortar branches and engaging 2459 BC agents.
- Bank has declared saturation at all the allotted 3962 SSAs & 3371 Wards on 10th December, 2014.
- 52877 lives under Micro Insurance and 35768 lives under Swavalambhan Pension Scheme covered during the current financial year.
- 63.18 lakh residents enrolled under Aadhaar and 67.08 lakh accounts seeded in Aadhaar number.
- As a part of grievances redressal mechanism for customers, the Bank established Toll free number 1800 425 11222.
- Special camps for opening of accounts are being organized at all clusters on every Saturday and mega camps on last Saturday of the month. So far, 53284 camps have been conducted.

A Holistic Approach to Financial Inclusion (FI)

- The Bank has opened 802 branches, including 468 in >2000 population and 334 in <2000 population. 479 Ultra Small Branches are also functioning, apart from 802 brick and mortar branches. In total, the Bank has provided banking facilities in 10049 villages.
- **Basic Savings Bank Deposits (BSBD)** accounts increased to 1.29 crore, with an outstanding deposit balance of ₹1982 crore.
- During the current financial year, the Bank credit linked 27701 **Self-Help Groups (SHGs)** involving an amount of ₹464 crore.
- 63 **Financial Literacy Centres** have been set up to provide financial education to the poor and the common man.
- 20 **Micro Finance Branches** in urban areas are operational to cater to the needs of the urban poor.
- 476 **Farmers Clubs** opened by the Bank during the current financial year.
- 63 villages have been adopted by the Bank for **comprehensive development**.

Enhanced Delivery Channels

During the current financial year, the Bank added 893 branches, taking the total tally under the branch network to 5648, including 7 overseas branches as at December 2014.

The Bank added 1287 ATMs during the nine months, taking the total number to 7599 as at December 2014, besides 132 e-lounges. The Bank's debit card base rose to 227 lakh and e-transactions increased to 45.35% compared to 43.75% last year.

Customer Friendly New Products/ InfoTech Initiatives

- In association with eFresh, the Bank has set up Agriculture Knowledge Dissemination Centre, a first of its kind initiative at HO, Bengaluru.
- A mass farmer contact initiative, viz., Kisan Sampark Abhyan launched in all rural & Semi-urban branches.
- Observing 'Make in India Campaign' to promote manufacturing sector through credit and other supporting measures.
- Canara Yuva Awas Rin, a new housing loan Scheme for youth launched.
- Canara m-Wallet with 2-factor authentication enabled for customer convenience and safety for flight, bus ticket booking, DTH Recharge, a wide range of bill payments, etc.
- Payments through internet banking for merchants PAYTM and EMVANTAGE enabled.
- Bill payment facility enabled for corporate customers in internet banking.
- USSD Services enabled on National Unified USSD Platform (NUUP) with the following services - Balance Enquiry, Mini Statement, Change M-Pin, IMPS Funds Transfer - Person to Person and Person to Account.
- An exclusive windows app for customers using Windows 8 handsets developed and uploaded in Windows store.
- Foreign Inward Remittance through IMPS enabled.
- DBTL (Modified Direct Benefit Transfer of LPG Subsidy) - both Option I (Account Validation) and Option II (capturing/ submitting account details to OMCs) developed and released.

- Aadhaar Mapping for NREGA Payments - Software Package for processing files sent by the Ministry of Rural Development and validating and sending Aadhaar seeding entries to the CBS developed and released.
- The e-KYC Service using UIDAI verification enabled through Business Correspondent Terminal.
- SMS Alert for SWIFT transactions enabled.
- Enabled Payment Gateway services for online collection of fees through all bank channels to - National Institute of Ocean Technology, Chennai, K J Somaiya College of Engineering, Mumbai, Rashtriya Indian Medical College, Dehradun and NIT, Narela, Delhi.
- Enabled Payment Gateway through the Bank's Debit Card to Gandhigram Rural University, Dindigul.

Awards and Accolades

In recognition of the varied initiatives, the Bank was conferred with the following awards during the quarter.

- **"MSME Banking Excellence Awards-2014"** organized by Chamber of Indian Micro, Small and Medium Enterprises (CIMSME) at New Delhi. The Bank has been adjudged as the **"Best Bank Award-Winner"** among other awards.
- Awarded **'Niryat Bandhu'** instituted by Federation of Indian Export Organisation (FIEO) for excellent support services rendered for the promotion of export.
- **"SKOCH Renaissance Award 2014"** under India's Best Projects 2014 Category for Rural Self Employment Training Institute, Institute for Artisans, Institute for information Technology, Community Development and Women Empowerment.
- Secured **1st Position** in mobilizing new Demat Accounts for the second consecutive year and also adjudged **Best Performer** in Account Growth Rate by NSDL Star Performer Awards 2014.
- Awarded **First Prize** under **"Indira Gandhi Rajbhasha Shield"** in Region C for effective implementation of Official Language for the year 2013-14.
- Conferred with **Reserve Bank Rajbhasha Shield** for effective implementation of Official Language in Region 'B' & 'C'.
- **Ranked 1st among Public Sector Banks** in an article on India's Best Companies for CSR published in the "Corporate Dossier" of Economic Times.
- Awarded **'Best Inspiring Place to Work (Public Sector)'** by Banking Frontiers partnering with M/s.Deloitte in an effort to recognize the HR efforts of the BFSI sector.

Goals for FY15

- Aims to reach an aggregate business figure of ₹8 lakh crore.
- The Bank has received approval from the banking regulators of Tanzania for establishing a Subsidiary at Dar-es-Salaam. The Bank has plans to open branches/offices in various other overseas centres in the coming years, including, Dubai International Financial Centre (DIFC), Frankfurt (Germany), and Sao Paulo (Brazil).
- Thrust on Retail Business - **CASA, retail deposits, retail credit, recovery, fee income and asset quality.**
- Ongoing thrust on technology and business process reengineering.

- Thrust on improving operational financial ratios, such as, NIM, RoA, RoE and Cost-to-Income.****