केनरा बैंक Canara Bank

Head Office, Bangalore
August 3, 2013

PRESS RELEASE

Global Business at ₹6.32 lakh crore
Net Profit for Q1 at ₹792 crore

Major Highlights -Q1FY14

- ➔ Total business reached ₹6.32 lakh crore, up by 12.8% y.o.y.
- ➔ Total Deposits at ₹3.82 lakh crore, up by 14.2% y.o.y.
- ➔ Advances (net) at ₹2.50 lakh crore, up by 10.8% y.o.y.
- ➔ Operating Profit at ₹1898 crore, up by 36.2% y.o.y.
- ➔ Net Profit - ₹792 Crore, sequentially up by 9.2% & y.o.y up by 2.2%
- ➔ NIM at 2.21% and RoAA at 0.75%.
- ➔ Capital Adequacy Ratio at 11.35% (against 9% requirement) under New Basel III norm.

  Tier I Capital Ratio at 9.03% (against 6.5% requirement).
- ➔ Cash Recovery at ₹888 crore.
- ➔ 161 New Branches and 647 ATMs added y.o.y.

Profits and Profitability - Q1 FY14

- **Net profit** for Q1FY14 at ₹792 crore has gone up sequentially by 9.2% (₹725 crore Q4FY13) and y-o-y by 2.2% (₹775 crore Q1FY13).
- **Operating profit** at ₹1898 crore recorded a y.o.y growth of 36.2% and sequentially 11.8% over Q4FY13.
- **Total provision** made for the quarter was at ₹1106 crore compared to₹619 crore for Q1FY13 and ₹972 crore for Q4FY13. **The provision for NPAs** during the quarter was ₹417crore.
- While **Earnings per Share** (EPS) for the quarter was at ₹17.88, **Book Value** rose to ₹509.48 compared to ₹490.56 as at March 2013.

Income and Expenses- Q1 FY14

- The Bank's **total income** for Q1FY14 increased to ₹10508 crore with a y.o.y growth of 14.6%.
- **Income from loans/advances** increased to ₹6450 crore from ₹6229 crore for Q1FY13.
- With special focus, **non-Interest Income** for the quarter recorded an increase of 79% y.o.y to ₹1238 crore.
- Non Interest Income share in total income increased to 11.8% from 7.6% y.o.y.

- **Total expenses** for the quarter was ₹8610 crore compared to ₹7772 crore for Q1FY13.
- **Operating expenses** for the quarter increased to ₹1331 crore compared to ₹1142 crore for Q1FY13.
- **Net interest income** for the quarter improved by 8% y.o.y to ₹1991 crore.

Business Performance

- **Global Business** of the Bank rose to ₹631863 crore compared to ₹560203 crore as at June 2012, with a y.o.y growth of 12.8%.
- **Global Deposits** of the Bank increased to ₹381972 crore compared to ₹334619 crore as at June 2012, with a growth of 14.2%.
- **Global Advances (Net)** reached a level of ₹249891 crore compared to ₹225584 crore as at June 2012, with a growth of 10.8%.
- The Bank's **domestic business** constituted 94% of the total business. The Bank has 5 overseas branches one each at **London, Leicester, Hong Kong, Manama and Shanghai**. Total business of the foreign branches increased to ₹35480 crore from ₹23974 crore y.o.y.
- The Bank's **CASA deposits** to domestic deposits marginally increased to 24.2% from 24% y.o.y. The Bank's **savings deposits** reached ₹73938 crore as at June 2013 compared to ₹66504 crore as at June 2012, with a y.o.y growth of 11.2%.
- The Bank's **clientele base** increased to around 5 crore, comprising 4.35 crore under deposit and 64 lakh under borrowal accounts. Nearly 70 lakh clientele added during the year.
- While **Business per Employee** stood at ₹13.89 crore, **Business per Branch** improved to ₹167.60 crore compared to ₹155.22 crore as at June 2012.

Capital Adequacy under New Basel III norms

- New Basel III norms came into force from 1.4.2013.
- As per the new regulatory norms, **Capital Adequacy Ratio** stood at 11.35% (against requirement on 9%) and Tier I ratio at 9.03% (requirement 6.5%) as at June 2013. Adequate headroom available under both Tier-I and Tier-II options to raise capital to support business growth momentum. Government shareholding is at 67.72%.

Asset Quality

- Reflecting continued stress on asset quality at the industry level, the Bank's **gross NPA** stood at ₹7329 crore, with a gross NPA ratio of 2.91%.
- **Net NPA** stood at ₹6209 crore, with a net NPA ratio of 2.48%.
- **Cash Recovery** during Q1FY14 aggregated to a record ₹888 crore compared to ₹594 crore for the same quarter a year ago.
- The Bank's **outstanding restructured portfolio** at ₹19884 crore constituted 7.96% for the total advances.

Diversified Credit Portfolio

- Outstanding advances to various **priority segments** rose to ₹83085 crore compared to ₹65249 crore as at June 2012, **registering a growth of 27.3% y-o-y**.
- Advances under **agriculture** portfolio increased by **38% to reach ₹43292 crore**, achieving 18.83% to ANBC as against mandated target of 18%.
- Advances under Direct Agriculture increased by 41% to reach ₹40195 crore, achieving 17.48% to ANBC against mandated target of 13.5%.
- **Advances to Weaker Sections** reached ₹27760 crore, with a y.o.y growth of 28.6% (12.07% to ANBC against 10% norm)
- Lending to **Specified Minority Communities** reached ₹15287 crore, constituting 18.40% in priority sector lending against mandated 15%.
- The Bank's credit to **Micro, Small and Medium Enterprises** (MSMEs) reached ₹37173 crore, with a y-o-y growth of 16%.
- Credit to **M&SE** reached ₹27873 crore, with a y.o.y growth of 22.8% (against mandated norm of 20%). The number of micro enterprises accounts recorded a growth of 31% against mandated norm of 10%.
- The Bank's **retail lending portfolio** increased to ₹25231 crore, with a y-o-y growth of 10.4%. Outstanding housing loan portfolio increased to ₹14406 crore, constituting 57% of the total retail lending portfolio.
- The Bank's **education loan portfolio** rose to ₹4416 crore, with y-o-y growth of 8.3% and covering 2.17 lakh students.

A Holistic Approach to Financial Inclusion

- The Bank covered all the 1624 allotted villages in 24 States (>2000 population category), under Brick and Mortar Branch Model (264 villages) and Business Correspondent Model (1360 villages).
- The Bank has covered 1268 villages (<2000 population category) out of the 8425 villages allotted under Brick and Mortar Branch Model (13 villages) and Business Correspondent Model (1255 villages).
- Opened 4.30 lakh Basic Savings Bank Deposit (BSBD) accounts during the quarter, with accretion of ₹31 crore deposits. The tally of BSBD accounts increased to 64.72 lakh, with outstanding deposit balance of ₹1174 crore.
- Brick and Mortar Branches opened in 171 FI villages during FY12 have garnered a business of ₹1407 crore, with a growth of 12.3% in the last three months. The average business of these branches which was at ₹7.32 crore as at 31.03.2013, has improved to ₹8.23 crore, with a growth of 12.4%.
- 64 Brick and mortar branches opened during FY13 have garnered a business of ₹233.43 crore as against ₹147 crore as on 31.03.2013.
- With focus on activation of customer service providers at villages, 1.67 lakh transactions amounting to ₹38.83 crore was done through 3.62 lakh smart cards during the quarter.

- The Bank sponsored RRBs have opened 3 Brick and Mortar Branches and 196 BCAs during the quarter.
- In-built OD facility provided to 88863 BSBD account holders to the extent of ₹13.63 crore.
- Opened 4 Financial Literacy Centres (FLCs) in four allotted blocks by the Bank Sponsored RRB (Pragathi Gramin Bank) in addition to the existing 26 FLCs in Lead Districts.
- "Money" and "Savings" - comic books have been brought out in eight Indian languages for financial literacy.
- 19 Micro Finance Branches, catering to urban financial inclusion, have achieved a total business of ₹217 crore.
- Credit linked 4256 SHGs by disbursing ₹100 crore during the quarter. Exposure under SHG is ₹1348 crore under 85630 SHG accounts.
- Issued 41816 GCCs amounting to ₹92.68 crore during the quarter. Exposure under GCC is ₹645 crore under 3.06 lakh accounts.
- Disbursed ₹22.47 crore to 25737 beneficiaries under DRI Scheme during the quarter. Total exposure under DRI is ₹91.36 crore.
- 7727 SHG members are provided coverage under the Micro Insurance product of M/s Canara HSBC OBC Insurance Company Ltd. during the quarter.
- Participated in Pilot Project for Direct Benefit Transfer in 103 identified districts where we have presence and opened more than 80000 accounts to DBT beneficiaries.
- Under Women SHG Development Programme of Govt. of India, through Anchor NGOs have formed 6059 WSHGs and Credit linked 4586 WSHGs in Chitradurga district, Karnataka and Waynad & Palakkad Districts, Kerala and released ₹22.93 crore.

Enhanced Delivery Channels & New InfoTech Initiatives

The Bank added 161 domestic branches y.o.y, taking the total tally under the branch network to 3770, including 5 overseas branches. The Bank added 647 ATMs y.o.y, taking the total number to 3754 as at June 2013. The Bank's debit card base rose to 107 lakh.

New InfoTech Initiatives

- Aadhar enabled Rupay Debit Card – 'Aadhar Samruddhi' launched.
- ALUN (Aadhar Lookup NPCI) package was released. It facilitates checking the linkage of Aadhar number in CBS with NPCI.
- eFMS (electronic File Management System) module was released for making payments to NREGA beneficiaries in Tamilnadu.
- Facility of payment of donations through ATMs and Mobile Banking enabled for the customers.
- Canara RuPay Debit cards introduced in association with National Payments Corporation of India.
- Visa Money Transfer Fast Funds facility introduced- a facility for Canara Bank Debit Cardholders, issued in association with Visa International for inbound cross border money transfer.

Awards and Accolades

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

- "**Best Bank of the Year Award**", instituted by The Bangalore Management Association (BMA).
- "**Best Financial Institution**", Category-Gold in the Export Excellence Awards 2013 by the Federation of Karnataka Chamber of Commerce, Bangalore.
- Awarded **Institute of Directors' Fellowship** on the eve of **Golden Peacock Awards**.
- Awarded **Certificate of Excellence** for exemplary CSR Initiative for the project **"Strengthening Traditional Art and Culture"** under **eIndia Awards 2013**.

Goals for FY14

- The Bank aims to reach an aggregate business figure of more than ₹7 lakh crore, with deposit growth of 15-17% and advances growth of 16-18%.
- Plans to take the number of branches from 3770 to 5000 and number of ATMs from 3754 to 10,000 by Mar'2015.
- Plans to open branches at 14 overseas centres- Johannesburg (South Africa, License already received), DIFC (Dubai), Sao Paulo (Brazil), Dar-es-Salaam (Tanzania), Tokyo (Japan), Abuja (Nigeria), Jeddah (Saudi Arabia), Qatar Financial Centre (Qatar), Frankfurt (Germany) and New York (USA), Sydney(Australia), Ontario (Canada), Wellington (New Zealand) and Singapore by Mar'2015
- Thrust on Retail Business- CASA, retail deposits, retail credit, recovery, fee income and asset quality.
- Technology and business process reengineering.
- Thrust on improving operational financial ratios, such as, NIM, ROA, ROE and Cost-to-Income

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