



Speech by **Shri R K DUBEY**  
Chairman and Managing Director  
at the 11<sup>th</sup> Annual General Meeting  
of the Shareholders held on  
22 July, 2013 at Bengaluru.

Ladies and Gentlemen,

It gives me great pleasure to welcome you all to this Annual General Meeting. This is the 11th Annual General Meeting since your Bank went public in November 2002 and the first in my tenure at Canara Bank.

I am deeply touched by your august presence here today and I thankfully acknowledge your unstinted support and productive partnership with the Bank.

2012-13 was a year of consolidation of your Bank.

Salient features of your Bank's performance relate to containment of the gross Non-Performing Assets at ₹ 6260 crore and gross NPA ratio at 2.57% at a time when the entire banking industry witnessed greater stress on asset quality. The Bank also made record cash recovery of ₹ 4006 crore. During 2012-13, your Bank added 128 New Branches and 668 ATMs.

What makes these efforts particularly noteworthy is that all these achievements occurred against the backdrop of a general slowdown in the economy and greater stress in several industries, such as, textiles, steel, mining, infrastructure, etc.

During the year, your Bank took a conscious decision to de-risk the balance sheet by shedding a substantial portion of bulk business both on high cost deposits, including Certificate of Deposits as well as short term unsecured corporate loans. In total the Bank has shed about ₹ 74500 crore of high cost deposits, including Certificate of Deposits and ₹ 22000 crore short term unsecured corporate loans, which will yield results in the year 2013-14.

In line with your Bank's enviable track record of successfully combining commercial objectives with social objectives, the Bank has been able to deliver value to all segments of our stakeholders. I am confident that with your support, we shall do much better in the future.

Several initiatives were taken by the Bank in different areas, which I shall mention as I go along the Report. The final accounts of the Bank and the Directors' Report for the year ended March 2013 are already with you and with your permission, I take them as read. Let me therefore present the highlights of your Bank's performance.

#### GLOBAL AND INDIAN ECONOMIC SETTING

Financial year 2012-13 was the second consecutive year of moderation for our economy. As per the provisional estimates of the Central Statistical Organization (CSO), GDP growth for 2012-13 was estimated lower at 5% compared to 6.2% in the previous year. Agriculture and allied activities grew by 1.9% compared to 3.6% last year. Industrial sector grew by 2.1% compared to 3.5% a year ago. Growth in services sector grew by 7.1% against 8.2% in the previous year.

Inflation, which remained at an elevated level during 2012 eased significantly in the fourth quarter of FY13. During 2012-13, WPI inflation moderated to an average of 7.3% as compared to 8.9% in the previous year.

External trade sector witnessed unsatisfactory performance during the year. Merchandise exports declined by 1.8% to US\$301 billion much lower than the US\$360 billion export target set for the year, owing mainly to global uncertainties and weak external demand. Slowdown in domestic growth, among others, affected imports during the year, which was valued at US\$491 billion, with almost flat growth at 0.4%.

Banking is a microcosm of the macro-economy. The macro-economy and financial markets posed challenges for the banking and other

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financial institutions. Indian Banking sector is expected to perform better during the year 2013-14. There are, however, challenges of improving the quality of assets, increasing the pace of business growth, effective risk management, particularly in the context of Basel III norms, driving financial inclusion and above all sustaining the key profitability parameters.

#### FINANCIAL SNAPSHOT- SUSTAINED GROWTH

I would like to place before you the highlights of the Bank's performance during the year 2012-13.

Despite the conscious decision to de-risk the balance sheet by shedding a substantial portion of bulk business, total Deposits of the Bank registered a growth of 8.8 % to reach ₹355856 crore as at March 2013. The share of high cost deposits and Certificate of Deposits, which was about 45% of total deposits in March 2012, came down to 20% in March 2013. Savings deposits rose by 9.8% y.o.y to reach ₹ 71168 crore and share of Current and Savings (CASA) Deposits in total deposits stood at 25.12%, almost at the same level that of last year. The Bank's advances (net) rose to ₹ 242177 crore. The Bank's diversified credit portfolio include all productive segments of the economy like agriculture and Micro, Small and Medium Enterprises (MSMEs), retail, exposure to corporate and infrastructure segments.

The Bank's global business aggregated to ₹ 5,98,033 crore as at March 2013. The credit-deposit ratio of the Bank stood at 68.05%. Productivity, measured by business per employee improved to ₹ 14.20 crore and business per branch stood at ₹ 160.42 crore. The clientele base of the Bank rose to 4.70 crore, comprising 4.17 crore under deposit accounts and 53 lakhs under borrowal accounts.

#### PROFITS AND PROFITABILITY

The Bank posted a Net profit of ₹ 2872 crore for the year. Return on average assets (RoAA) for the year stood at 0.77% and Net Interest Margin was at 2.40%. Profit per employee worked out to ₹ 6.96 lakh for the year.

#### MAXIMIZING RETURNS TO SHAREHOLDERS

We are focused on meeting the interest of the shareholders. The Board has recommended a dividend of 130% for the year FY13 compared to 110% declared last year.

The Book Value and Earnings per Share have shown consistent increase. The Book Value of the Bank's share increased to ₹ 490.56 as at March 2013 compared to ₹ 429.51 for the last financial year. Earnings per Share stood at ₹ 64.83 for the year ended March 2013.

#### EXPANDED OUTREACH AND DELIVERY CHANNELS

In conformity with the Bank's strategic focus, delivery channels have been further expanded to consolidate and further strengthen your Bank's position. The Bank added 128 domestic branches in FY13, taking the total branch network to 3728 branches, which includes 161 specialized branches, catering to the specific clientele segments. With addition of 668 ATMs, the Bank's ATM network further rose to 3526 by end March 2013. The total debit card base of your Bank rose to 95.53 lakhs as at March 2013.

#### INFOTECH PROGRESS

We consider all channels, including branches, ATMs and mobile, a core business. The Bank offers several technology banking services, such as, Internet Banking, Mobile Banking, Funds Transfer through NEFT and RTGS, SMS Alerts, IVRS based enquiry across all its branches. The Bank also offers online trading facility to its clients through its own subsidiary M/s Canara Bank Securities Ltd.

During the year, the Bank introduced E-lounges with facilities like ATM, Cash/ Cheque Acceptor, Passbook printing kiosk, internet

banking, online trading and telebanking in Bangalore and Delhi and more such lounges are planned during 2013-14. SMS/ E-mail alerts have been enabled on rate of interest changes, inoperative CASA accounts, deposits due date reminder, reminder alerts on the issuance of cheque books, alerts on loan installment and arrears for customers. Internet based online loan applications and status tracking system was developed and released for 15 loan products including consumer loans, education loans, kisan credit card, farm machinery loan, diary loan, corporate loans, etc. Such initiatives reflect our ability to innovate to meet our customers' interests.

The Bank made some value additions under internet banking that include 24X7 fund transfer facility through IMPS, Electronic Payment Interface for Aggregators Times Money, Techpro, Atoms and CC Avenue for providing wide range of utility bill payments facility, 'Demat View' enabled to view the details of holdings, option to subscribe for account statements at customized intervals and standing instruction facility for loan accounts.

Several Government business modules were implemented including core accounting solution (Govt. e-payment gateway) for disbursement of funds through digitally signed payment authorizations, software module for e-payment of Prime Minister's National Relief Fund, release of National Pension System online software, e-scroll functionality implementation in Central Pension Processing Centre for claiming of pension payments.

The year also saw the completion of Automated Data Flow (ADF) process, ensuring accurate and timely data flow to the Reserve Bank of India without manual intervention. Enterprise-wide Data Warehouse (EDW) project has already been initiated for setting up an effective EDW architecture, with Business Intelligence/ Business Analytics modules for management decision support and business expansion.

#### **CUSTOMER FIRST**

The Bank has taken several initiatives to be customer focused by providing fast service and responding to customers' queries and redressal of customers' complaints. Towards this end, the Bank introduced an online Grievances Redressal System, i.e., Canara Public Grievances Redressal System to enable general public for registering online grievances.

The 'Code of Commitment to Customers' issued by BCSBI is made available. In order to assess the quality of customer service rendered by the branches and to get feedback, a 'Contact Questionnaire' is available in the Bank's website. During the year, a Customer Fortnight was conducted from 15.11.2012 to 30.11.2012 to invite suggestions from the customers. Toll Free contact at Customer Service Section, Head Office is provided to facilitate the customers to represent their grievances. Toll Free contact facility at ATM Switch Room and Card Division is also provided to the users to represent the matters pertaining to ATM operations and Card Business.

A Call Centre is functioning as a part of Customer Relationship Management initiatives. The Call Centre caters to the customers in English, Hindi and 6 regional languages, viz., Kannada, Tamil, Telugu, Malayalam, Bengali and Marathi. The Call Centre received more than 10.28 lakhs calls.

#### **PRIORITY SECTOR LENDING**

The Bank continued to accord importance to varied goals under national priorities, including agriculture, micro & small enterprises, education, housing, micro-credit, weaker sections, SC/STs and specified minorities. Priority Sector Advances of the Bank grew by 17.2% to reach ₹ 78998 crore, covering over 48 lakh borrowers as at March 2013.

The Bank's advances under agriculture portfolio increased by 27.7% to ₹ 40786 crore, covering over 40 lakh farmers. Advances under Direct Agriculture recorded a growth of 36.4% to reach ₹ 37984 crore.

The Bank disbursed ₹ 33730 crore under Agriculture, covering 35.96 lakh farmers during the financial year, registering an increase of 23.4%. Advances to weaker sections aggregated ₹ 26244 crore, with a y-o-y growth of 17.5%. During the year, the Bank issued 3.90 lakh KCCs amounting to ₹ 4826 crore. As at end-March 2013, the credit outstanding under KCCs was ₹ 5969 crore. The Bank issued more than one lakh new KCCs RuPay Debit Cards to all eligible farmers. As at March 2013, advances to specified minority communities aggregated to ₹ 14369 crore.

The Bank achieved the mandated targets in respect of agriculture (18.22% against 18% norm), direct agriculture (16.97% against 13.5%

norm), credit to specified minority communities (18.19% against 15% norm) and weaker section (11.73% against 10% norm).

The Bank has consistently supported promising students to pursue higher education in India and abroad. The Bank's education loan portfolio increased to ₹ 4343 crore, covering more than 2.17 lakh students as at March 2013. The Bank is designated as the nodal bank for administering subsidy under the Central Sector Scheme for Interest Subsidy on education loans.

Advances to Micro, Small and Medium Enterprises (MSMEs) reached ₹ 37016 crore as at March 2013. The Bank has covered 73083 accounts with an exposure of ₹2528 crore as at March 2013 under the Credit Guarantee Scheme of Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE).

The Bank has financed 1524 entrepreneurs under Laghu Udyami Credit Card (LUCC), involving an amount of ₹ 37 crore. The Bank has also implemented Artisan Credit Card Scheme (ACC) for extending need based finance to artisans under Micro Enterprises. The Scheme covered 590 artisans.

7 SME Sulabhs (Centralized Loan Processing Units) were opened for faster clearance of loan proposals. As at March 2013, the Bank had 41 SME Sulabhs across the country. The Bank has opened 21 Specialized SME branches during 2012-13, taking the number of such branches to 72. With this, the Bank would reach out to larger sections of MSMEs across major centres.

Besides formulating six area/ cluster specific schemes for exclusive lending under MSME sector, your Bank effected substantial reduction in interest rates varying from 0.25% to 2.50% and also reduced interest rate by 0.25% for loans upto ₹ 100 lakh covered under CGTMSE Scheme. Women entrepreneurs are offered loans upto ₹ 5 lakh at base rate and also interest concession is available for all other loans availed by them. The Bank also entered into MoU with Brickworks India, CARE, CRISIL, ICRA and SMERA for rating of MSME units.

Your Bank has been actively encouraging entrepreneurship development among women. The Centre for Entrepreneurship Development for Women, which functions both at Head Office and all 34 Circle Offices, attempts to bring about greater economic empowerment of women. These Centres conducted several training programmes during the year, including general Entrepreneurship Development Programmes (EDP), Entrepreneurship Awareness programmes, Seminars, Career Guidance programmes, Skills and provided marketing support to women entrepreneurs by organizing Canutsav /Canbazar. CEDW cells have also assisted in formation of SHGs and credit linkages. A Rural Self Employment Training Institute is functioning at Harohalli in Kanakpura, Bangalore to provide EDP skill training to women in various vocations and enable them to take up self employment ventures.

As against RBI's requirement of 5% of Net Credit to women beneficiaries, the Bank has achieved 14% as at March 2013. Over 17.76 lakh women assisted to the tune ₹ 31340 crore. In order to encourage entrepreneurship and reward successful women entrepreneurs, the Bank launched an annual award Scheme for successful women entrepreneurs financed by the Bank with 3 cash awards of ₹ 25000, ₹ 50000 and ₹ 100000. To give focused attention to the needs of women clientele, Bank is dedicating 10 all women employee branches.

#### **ADVANCING RURAL DEVELOPMENT**

Canara Bank's socially relevant pursuits have been widely acclaimed down through the years. Under Canara Bank Centenary Rural Development Trust (CBCRDT), your Bank has established 31 exclusive training institutes, including 24 Rural Self Employment Training Institutes, 3 Artisan Training Institutes and 4 Institutes of Information Technology to promote entrepreneurship development among rural youth and encourage them taking up self-employment activities. During the year, these training institutes trained 26075 candidates, taking the tally to 1.76 lakh unemployed youth since inception, with a settlement rate of 73%.

Your Bank also co-sponsored 27 Rural Development and Self Employment Training Institutes (RUDSETIs) across 17 States. During the year, these institutes trained 34779 candidates. These RUDSETIs have, so far, trained over 3.21 lakh unemployed youth, with a settlement rate of 73%.

The Bank has co-sponsored Andhra Pradesh Bankers Institute of Rural and Entrepreneurship Development with Government of Andhra Pradesh at Hyderabad and co-sponsored Deshpande Memorial Trust, a rural self-employment training institute with Government of

Karnataka at Haliyal, a backward region of North Canara district. The Bank has supported the setting up of Entrepreneurship Development Institute at Jammu and Kashmir, Karnataka Farmers Resource Centre at Bagalkot and sponsored Dr Ambedkar Self Employment Training Institute, Puduppur, Tamil Nadu. The Bank set up its first Rural Self Employment Training Institute in Punjab at Tapa Mandi, Barnala district.

Cumulatively, your Bank has sponsored/ co-sponsored/ supported 61 training institutes which have trained more than 5 lakh unemployed youth so far, with a settlement rate of 73%.

The Bank has a noble scheme of Rural Clinic Services at remote villages, lacking basic medical facilities. The Bank has so far assisted over 565 doctors to run 39 such clinics across the country.

Canara Bank has declared Kunjupannai Village in Nilgiris District as a "Moneylender-free" village on 22.03.2013 by extending credit to around 90 people, who had borrowed money at exorbitant rates from moneylenders. Canara Bank provided debt-swapping facility by extending credit at 4 % and in most of the cases the amount extended was less than ₹ 20,000/-. Bank is confident of ensuring that the villagers will never return to the moneylenders in future.

The Bank has donated a hi-tech, custom built, solar powered 'Mobile Sales Van' (named 'Nammura Santhe') to assist women entrepreneurs, SHGs and artisans to market their products. As a CSR initiative, Bank would also take up a project for construction of toilets in 130 girl schools, 5 each in all its 26 lead districts with a financial outlay of ₹ 1 crore.

### RETAIL BANKING

Outstanding retail lending of the Bank reached ₹ 23084 crore as at March 2013. The Bank disbursed ₹ 8710 crore under retail lending during the year. The outstanding housing loan portfolio increased to ₹ 13134 crore, constituting 57% of the total retail lending portfolio. The Bank took several measures during the year to expand retail credit. The Bank introduced new retail loan products, viz., Canara Home Loan Plus, Canara Consumer Loan and Canara Loan against Property. Two Central Processing Units (CPUs) at Bhopal and Ludhiana were upgraded as Retail Asset Hubs, taking the number of Retail Asset Hubs to 42 and 3 CPUs at major centres across the country.

### DRIVING FINANCIAL INCLUSION

The Bank has been actively pursuing the financial inclusion agenda with key interventions in four groups, viz., expanding banking infrastructure, offering appropriate financial products, making extensive and intensive use of technology and through advocacy and stakeholder participation.

The Bank has successfully covered all the allotted 1624 villages (spread across 24 States) with population above 2000 for providing banking facilities. After ensuring coverage of villages in the more than 2000 population category, Bank has covered 1255 villages in the less than 2000 population category during the year.

Your Bank is allotted 5867 villages (465 villages with 1600-2000 population, 1324 villages with 1000-1599 population and 4078 villages with less than 1000 population) and 150 Wards in urban centres to provide banking services during the next three years.

During the year, the Bank added 64 branches in financial inclusion villages taking the total tally of FI branches to 275 under branch model. During the last two years, 50% of the new branches opened are located in FI villages as against RBI stipulation of 25% of new branches required to be opened in Tier V and VI centres. The Bank has engaged 1426 Business Correspondents Agents (BCAs) under Business Correspondents (BC) model. Considering the need for close supervision and mentoring of BCAs and in order to ensure that a range of banking services are available to residents of villages, the Bank has set up 542 Ultra Small Branches, of which, one has already been upgraded to a regular branch.

The Bank opened about 17.31 lakh Basic Savings Bank (BSB) accounts during the year, of which, 8.12 lakh BSB accounts were opened in FI villages. There was an accretion of ₹ 323 crore in BSB accounts during the year. As at March 2013, the total number of BSB accounts stood at 60.55 lakh, with a total deposits balance of ₹ 1143 crore.

Your Bank has campaigned for 'One Family One Account' in 43 identified Districts and opened 2.71 lakh new accounts under Direct Benefit Transfer, the most ambitious programme of the Government of India. The Bank provided access points like branch, ATM, Cash Dispenser, BCA for the beneficiaries to withdraw money. Number of accounts seeded with AADHAAR was 3.62 lakhs in 43 Districts.

Besides opening accounts, the Bank endeavored to provide host of other facilities like In-Built Overdrafts (IODs), Kisan Credit Cards (KCCs), General Credit Cards (GCCs), Differential Rate of Interest scheme (DRI), Self Help Groups (SHGs), Micro Credit Groups (MCGs), Micro Insurance and Micro Pension under Canara Nayee Disha Scheme.

- In built OD facility given to 13621 beneficiaries, amounting to ₹ 466 lakh.
- The Bank issued 1.24 lakh GCCs with total disbursement of ₹ 276 crore. GCCs outstanding at the end of year was 2.85 lakh accounts with balance of ₹ 600 crore.
- The Bank issued 3.90 lakh KCCs with total disbursement of ₹ 4826 crore. KCCs outstanding at the end of year was 6.14 lakh accounts with a balance of ₹ 5951 crore.
- The Bank financed 0.26 lakh persons under DRI Scheme with total assistance of ₹ 36 crore. DRI outstanding at the end of year was 0.57 lakh accounts with balance of ₹ 67 crore.
- 26000 SHGs have been formed during the year. Credit linked 32000 SHGs with credit of ₹ 648 crore. The outstanding SHG balance at the end of the year stood at 82000 accounts with balance of ₹ 1331 crore.

The Bank issued Smart Cards to 3.48 lakh beneficiaries. During the year, 3.40 lakh transactions involving an amount of ₹ 35.15 crore were done through Smart Cards.

During the year, life insurance coverage was provided to 31117 group members under Micro Insurance Policy and 51185 group members cumulatively.

Implementation of Electronic Benefit Transfer for payment of MNREGA wages and Social Security Pension (SSP) in Chitradurga, Bellary, Gulbarga and Yadgir districts in Karnataka was taken up by the Bank. In Tamil Nadu, the Bank implemented EBT for the payment of SSP.

19 Micro Finance Branches, which were opened for enhancing urban financial inclusion, contributed a total business of ₹ 211 crore.

The Bank has set up FLCs in 26 Lead Districts and provided financial education to 38153 persons and conducted financial literacy programmes for children studying in Government schools, using Tablet PC.

During FY13, 123 farmers' clubs were formed, taking the total tally to 1500 spread all over the country. These farmers' clubs disseminate information to the rural people about the banking products and advanced technology.

The Bank has provided Canara Gramin Vikas Vahini-Vehicles in 35 districts across the country, with an objective of providing awareness about Bank's products and banking facilities among the rural households.

### TREASURY & INTERNATIONAL OPERATIONS

Aggregate investments of the Bank, as at March 2013, reached a level of ₹ 121133 crore. The yield on investments improved to 8.12% compared to 7.96% a year ago.

As at March 2013, Foreign Business Turnover of the Bank aggregated ₹ 143795 crore, comprising ₹ 54328 crore under exports, ₹ 40391 crore under imports and ₹ 49076 crore under remittances. Outstanding export credit of the Bank stood at ₹10067 crore as at March 2013.

The Bank's overseas operations covered 6 countries with one branch each at London and Leicester (UK), Hong Kong, Shanghai (China) and Manama (Bahrain) and a Representative Office at Sharjah (UAE). These apart, a joint venture Bank, namely, Commercial Bank of India LLC in Moscow is also operational in association with State Bank of India.

All overseas branches recorded improved business performance during the year. Total business of the five overseas branches aggregated to ₹ 28786 crore for the financial year ending March 2013, constituting 4.8% of the Bank's total business.

### CAPITAL ADEQUACY

Your Bank has sufficient headroom for raising further capital for business expansion. The Bank's CRAR was at 12.4% at March 2013, with Tier I ratio at 9.77%. The Bank's total paid-up capital stood at ₹ 443 crore as at March 2013.

### RISK MANAGEMENT

The Bank has put in place a unified Risk Management Architecture to attain global best practices for effective implementation of risk management initiatives in tune with the New Capital Adequacy Framework prescribed by the RBI. The risk is managed through a



framework of policies and principles approved by the Board of Directors and supported by an independent Risk Management Wing that ensures that the Bank operates within its risk appetite as well as defined limits.

The Bank adheres to the Disclosure Norms in tune with RBI guidelines under Pillar 3 of Basel II Norms. The Bank has initiated necessary steps for moving over to Advanced Approaches for computation of capital in Credit, Market and Operational Risk.

In response to Basel Committee on Banking Supervision (BCBS) guidelines, RBI issued the Basel III guidelines on May 2, 2012. The final guidelines on Basel III Capital Regulations have become effective from 1st April, 2013 in a phased manner. As per RBI guideline, with full implementation of Basel III guidelines by March 31, 2018, banks in India need to maintain a minimum Common Equity Tier 1 (CET1) capital of 5.50%, Tier 1 capital of 7.00%, total capital of 9.00% and Capital Conservation Buffer (CCB) of 2.50%.

As per Bank's internal estimate carried out to assess the impact of Basel III, Bank shall remain adequately capitalized with CET 1 and Tier 1 capital well above the stipulated requirement. Sufficient headroom is available with the Bank to raise the capital in case of any shortfall in future. With the quantum and quality of capital that the Bank has in its books, it is expected that the transition to Basel III regime would be met without any difficulty upto FY 2014. Moving ahead your Bank's capital requirement shall be met by injecting fresh equity capital, retention of profit, optimization of business levers and proactive capital planning and management.

#### ASSET QUALITY

Your Bank has performed well in containing NPA. The gross NPA level of the Bank stood at ₹ 6260 crore, with a gross NPA ratio at 2.57 % as at March 2013. The Bank's gross NPA ratio continues to be one of the lowest among peers. With a Net NPA level of ₹ 5278 crore, the net NPA ratio was at 2.18%.

Cash recovery in NPA accounts during the year reached an all time high of ₹ 4006 crore, well exceeding the preceding year's figure of ₹ 3296 crore.

During the year, recovery amounting to ₹ 1560 crore was made under SARFAESI Act. The Bank conducted 22500 recovery meets, which resulted in a recovery of ₹ 1250 crore. Under Lokadalat, 820 cases were settled covering ₹ 14.50 crore. During the year, an amount of ₹ 851 crore was upgraded on account of recovery/ rehabilitation. Besides, the Bank took several initiatives to contain slippages and speed up recovery from overdue loan accounts. These include identification of stressed accounts for restructuring/rephasing in time, conduct of Canadalats at branch level and mega Adalats at Circle level for one time settlements, regular follow-up of overdues in loan accounts through Call Centre and e-auctions. The Bank also formulated a special scheme for settlement of small NPAs and for MSMEs below ₹ 1 crore.

#### CORPORATE GOVERNANCE

Post the great financial crisis of 2008, the significance of corporate governance has increased greatly both for businesses and regulators. Your Bank's corporate governance philosophy is based on pursuit of sound business ethics and strong professional acumen that aligns the interests of all segments of the stakeholders as also the society at large. Accordingly, your Bank promoted fairness, transparency, accountability and efficiency across levels to maximize sustainable value for stakeholders in a transparent manner.

#### DEVELOPING HUMAN RESOURCES

The Bank had 42,693 committed and professional employees on its rolls as at March 2013. The number of Scheduled Caste and Scheduled Tribe employees stood at 11,065 and constituted 25.92% of the total workforce. The Bank's employees comprised 17,835 Officers, 16,095 Clerks and 8,763 Sub-Staff. There were 10,849 women employees, constituting over 25.4% of the Bank's total staff. During the year, the Bank recruited 3374 persons in various cadres to fill the retirement gap at various levels.

In view of the centrality of human resources management in banks, your Bank initiated significant shifts in the HR policies in conformity with the transforming banking scenario. HR initiatives like JAGARAN, a soft skill training programme, Talent Bank, to provide generalist officers to assume the role of specialists and executive grooming through reputed institutes are conducted during the year. Other significant HR tools like Quality Circles, Study Circles, Staff Meetings and Brain Storming Sessions for effective team building and fostering collective excellence continued during the year. The Bank trained 31100 employees during the year, covering a wide range of functional areas.

The Bank has launched UDAAN project- a Special Industry Initiative for the State of Jammu & Kashmir. With support from corporate in India, UDAAN aims to train and make employable 40,000 Graduates and Postgraduates over a period of five years.

#### EXPANDING ROLE OF CANARA BANK

Your Bank is aiming at a business level of ₹ 7 lakh crore plus in FY14. Overriding thrust is placed on expanding retail business during the current year, with particular emphasis on increasing CASA and retail deposits on the liability side and expanding retail loan book like home and vehicles loans, other personal loans, loans to agriculture, MSMEs and education on the assets side. Increasing fee income, containing NPAs and increasing Cash Recoveries constitute significant planks of our development strategy.

During the next two years your Bank plans to take the number of branches to 5000 and number of ATMs to 10000. The Bank has approval from RBI for expansion in 10 other international centres, namely, Qatar Financial Centre (Qatar), Johannesburg (South Africa), Frankfurt (Germany), New York (USA), Sao Paulo (Brazil), Dar-es-Salaam (Tanzania), Tokyo (Japan), Abuja (Nigeria), DIFC, Dubai (UAE) and Jeddah (Saudi Arabia). In this regard, the Bank has filed application with regulators of Qatar, Germany and USA. The Bank has already received consent from South African Reserve Bank for opening a branch at Johannesburg.

#### AWARDS AND ACCOLADES

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

- Best Bank Award among large banks by IDRBT for "Use of Technology for Financial Inclusion" handed over by the Governor, RBI, Dr. D Subbarao.
- Koch Award for Financial Inclusion, handed over by Dr. C Rangarajan, Chairman, PMEAC.
- Award for 'Best Online Bank' among Public Sector Banks- IBA Banking Technology Awards 2011.
- Award for 'Best Customer Relationship Initiative' among Public Sector Banks - IBA Banking Technology Awards 2011.
- The Greatest Corporate Leaders of India – Leadership in Banking Award, instituted by World HRD Congress, 2013.
- Prestigious Platinum Greentech HR Award 2013 under HR Oriented CEO as also Best HR Strategy and Training Excellence by M/s Greentech Foundation, New Delhi.
- National Vigilance Excellence Award – 2012 for the second consecutive year from Vigilance Study Circle, Hyderabad under the auspices of the Central Vigilance Commission.

We see these prizes as a responsibility, which strengthens our resolve to constantly innovate and deliver value to all our stakeholders.

#### ACKNOWLEDGEMENT

I am thankful to you, the shareholders, for your constant faith in the Bank. Your Bank's excellence in several performance parameters stems from the unstinted guidance, support and co-operation of my colleagues on the Board, the Auditors, the Legal Advisors and the correspondent banks. The Government of India and the Reserve Bank of India provided valuable guidance, the Media provided constructive coverage and most importantly, our valued customers provided continued patronage. To all of them, my heartfelt thanks.

I record my sincere appreciation for the support extended by the Securities & Exchange Board of India (SEBI), Stock Exchanges and the investor community for reposing full faith in your Bank's professional prowess and proven capabilities.

I am thankful to the members of the Canbank family for fully contributing to the Bank's success.

I look forward to your continued support and patronage. I am sure that the financial year 2013-14 will turn out to be a year of excellence with all-round growth for your Bank.

Thank you.

Yours Sincerely,



**R K DUBEY**

Chairman and Managing Director  
22.07.2013  
Bengaluru.