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Dear Sir/Madam,

Sub: Q3 FY 2022-23 Earnings conference call with Analysts / Investors - Transcript

Ref : 1. Our Letter SD:580/581/11/12::2022-23 dated 20.01.2023 &
2. Our Letter SD:599/600/11/12::2022-23 dated 23.01.2023

With reference to above and pursuant to the applicable provisions of SEBI (LODR) Regulations, 2015, we herewith enclose the transcript of post results Earnings conference call Q3 FY2022-23 held on 23.01.2023.

The transcript of Q3 FY2022-23 Earnings conference call is uploaded on Bank's website and the same can be accessed through below link:

https://canarabank.com/User_page.aspx?othlink=383

This is for your information and records.

Yours faithfully,

VINAY MOHTA
COMPANY SECRETARY



Q3 FY2022-23
EARNINGS CONFERENCE CALL
TRANSCRIPT
Monday, January 23, 2023



Management:

Mr. Debashish Mukherjee
Executive Director, Canara Bank

Mr. K Satyanarayana Raju
Executive Director, Canara Bank

Mr. Ashok Chandra
Executive Director, Canara Bank

Canara Bank
Q3 FY 2022-23 Earnings Conference Call/Analyst Meet

– **Moderator:**

- Today we have with us the senior management team from Canara Bank:
- Mr. Debasish Mukherjee, Executive Director
- Mr. K. Satyanarayana Raju, Executive Director, and
- Mr. Ashok Chandra, Executive Director
- With this I shall now hand over to the management of Canara Bank for opening remarks. Over to you, sir.

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

- Good evening to all of you. On behalf of Canara Bank, we welcome you all for this analysts meet for the quarter review and clarify whatever the questions you raise on our Q3 performance. We would like to share with you some highlights of this performance.
- Our global business has crossed 20 lakh crores stood at 20.14 lakhs crores with a year-on-year growth rate of 13.63%. Similarly, our domestic business also has grown at 11.24% and stood at 18.8 lakh crores. Our gross global advances have grown at 16.65% and stood at 8.51 lakh crores. Our domestic advances also has grown at 14.11%. Our global deposits have grown at 11.51% and the domestic deposits have grown at 9.21%. With these business growth our operating profit has increased year-on-year basis 19.80% and stood at 6952 crores which was led by a net interest income growth of 23.81% and the amount is 8600 crores. Because of this steady increase in the operating profit, our net profit has increased 91.88% year-on-year, stood at 2882 crores, this is an all-time high in the last continuously several quarters. And our net NPA also has drastically, gross NPA and net NPA also has shown visible decline in that and gross NPA has declined 191 basis points and stood at 5.89%. Our net NPA also has reduced 90 basis points and stood at 1.96% and simultaneously our PCR has also grown and it has crossed 86.32% and almost 306 basis points year-on-year improvement is shown in that.
- Further to this, our housing loan, retail growth and all continuing their steady growth. Our retail growth has continued at 11.30% and our housing loan is growing at 15.81%. Our gold loan is continuing the growth in the industry, dominating the industry at 34.21% and our portfolio stood at 1,15,286 crores. Our fee-based income has increased 13.02%. and return on equity increased 630 basis points and stood at 18.38%. Our CRAR even with more than 16% credit growth we are able to maintain at 16.72% which is comparatively even sequentially as well as year-on-year there is a steady growth on CRAR. Our cost to income we are maintaining well below the 45% and it is at 44.40% with an year-on-year improvement of 184 basis points.
- I am sure that by this time you all people have gone through our presentation which has given the clarity on many issues and which has published in various parameters the details. And I would like to

welcome all the analysts for any of your queries or clarifications. The top management we are all ready to answer your questions here. We welcome you for asking any questions.

– **Question & Answer Session:**

– **Moderator:**

– Thank you, sir. Participants who wish to ask a question can kindly raise your hand. We have the first question from Maharukh. Maharukh, you have been unmuted, you can go ahead with your question. Maharukh, you can unmute yourself and go ahead with the question.

– **Ms. Maharukh - Participant:**

– Hello, hello.

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– Hello.

– **Ms. Maharukh - Participant:**

– Hi, sir, can you hear me?

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– Yes, madam, we can hear you.

– **Ms. Maharukh - Participant:**

– Sir, my first question was, first of all congratulations on a very good set of numbers. Sir, my first question was in terms of corporate loan growth, obviously your corporate loans have grown faster than RAM, and your international book has also grown very fast. So, what are the corporate sectors that have grown in the overseas

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– I think there is, can you hear us?

– **Ms. Maharukh - Participant:**

– Yes, sir, I can hear you, but there is disturbance on the line, sir. Can you hear me now?

– **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**

– Yeah, yeah, there is

– **Ms. Maharukh - Participant:**

– Sir, can you hear me?

- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- Yes, I can hear you. Can you hear us?
- **Ms. Maharukh - Participant:**
- Yes, I can, sir, thank you.
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- So, our loan growth as far as the corporate sector is concerned has been basing upon the growth in infrastructure sector, see of course is there, then iron and steel is there, some commercial real estate also has happened. So you can see that year-on-year and Q-on-Q growth has been growth which has happened in the corporate book. And we propose to maintain this balance.
- **Ms. Maharukh - Participant:**
- So rapidly just 21% in a single quarter I know that the outlook is good but in a single quarter?
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- We would like to clarify to you, madam, actually this corporate credit it is a global corporate credit, domestic corporate credit has grown on year-on-year basis, it is around 14 point odd only. But when it comes to globally, globally we have lent during this quarter some 15000 crores on oil companies which are all AAA rated and sovereign companies. So, because of that this growth is showing reflecting that one quarter it has been so high. But otherwise the normal growth is year-on-year...
- **Ms. Maharukh - Participant:**
- 15000 crores for oil companies, is it?
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- 15,000 crores to the oil companies in this quarter has reflected like that. But otherwise, our corporate growth is in line with RAM growth only around 14%.
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- And here I would like to add another point with regard to our corporate loan book you know, 78% of our corporate loan book rated A and above, so the quality of assets are also, you know, we are maintaining that.
- **Ms. Maharukh - Participant:**
- Got it. Why has the real estate grown 21% sequentially in a single quarter. Any lumpy thing there, or it is?
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**

- Because of the base, madam, because of the base, low base.
- **Ms. Maharukh - Participant:**
- Okay. And, sir, any one-off in the interest income either in investment income or interest on income tax refund, any one-off in the third quarter of FY23.
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- Not in this quarter.
- **Ms. Maharukh - Participant:**
- Okay, so nothing like.
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- No.
- **Ms. Maharukh - Participant:**
- And, sir, what would be your outlook on loan growth and on margins for the 4th quarter and for FY24?
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Madam, so far for the first 9 months we already declared to you that the credit growth is shown around 14%. The same 14% will continue at least we are confident that that 14 to 15% growth will continue in the current quarter also, credit growth. Regarding the margins, we have given guidance earlier when during the first quarter that we will maintain the NIM at around 2.9%. We have already crossed the 2.93, for the third quarter we have crossed 3%. That is our NIM is around 3.05. Because of this the last quarter October onwards we have started giving higher rate of interest with deposits, and with this we are continuing with the same rate of interest and we are sure that we will maintain the margins in and around of 3%.
- **Ms. Maharukh - Participant:**
- Got it, sir, that helps, sir. Sir, just one last question, how much have you provided towards the new wage agreement this quarter, and the provisions will remain constant from hereon?
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Yes, madam, last year industrial settlement was approximately around 15%. The same 15% now for the last two months we are providing it on an average.
- **Ms. Maharukh - Participant:**
- So what is the exact amount, absolute amount.

- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- See per month it is coming around 70 crores.
- **Ms. Maharukh - Participant:**
- Okay, thank you so much, sir, and all the best.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Thank you very much, madam.
- **Moderator:**
- Thank you. Nilesh Jethani, you can unmute yourself and go ahead with the question please.
- **Mr. Nilesh Jethani - Participant:**
- Hi, good evening, gentlemen, and thanks for the opportunity. My first question was on the deposit side. So, I believe in one of TV interviews we heard that Can Bank was able to raise around Rs. 1 lakh crore on a gross level. But when I see on a net level the number comes out to be around 29-30,000 crores only. So, could you just help me understand what is happening at the deposit level and what kind of growth do we see on a steady growth say from 3 to 4 quarters perspective.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- So, I would like to clarify to you that industrial deposit growth is. industry-wise it is overall in and around 9% whereas we have grown at around 11.25%. As you agreed that last time we declared we have garnered more than 1 lakh crore during that special scheme. But I am sure that you will agree with me saying that 90% of our term deposits which are existing term deposits are meant for one year. So generally, once the one year is over there is a chance of either renewal or for the losing of that deposit. So, this 1 lakh what we have claimed earlier is in that special scheme we got a new deposit of 1 lakh crores. Ultimately when you finally arrived at that, the netting is what you have already seen in that it has given the reflection of 11.50 approximately global deposit has grown at 11.51%.
- **Mr. Nitesh Jethani - Participant:**
- Going ahead you have also raised 1 lakh, I believe some part of your existing customers would have renewed to term deposit the saving guys, but going forward what explanation do we carry as far as the deposit growth is concerned.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Since we are already performing better than the industry and recently also we have introduced one more scheme for 400 days at a much attractive rate of interest, the reason behind that offering a better rate of interest is not just that we have any liquidity issue. We are very much comfortable with our liquidity issue. Just we want to share whatever benefits we are getting when we are

growing it. So, because the customers are our major contributors as stakeholders in our growth we want to share some part of that towards the customers' benefit, depositors' benefit. That's why periodically we are reviewing our position and we are coming out with new, new schemes. Recently one week back we have come out with 400 days scheme that has also been well received, within one week we have received quite a lot of traction on that, and we will continue to do these things. And another thing we don't have any liquidity issue, the reason is our CD ratio is still at 73 whereas the industry is at 75 to 78%. We have that comfort in that. So, we want to, though we continue that 14% or 15% credit growth and with 11% to 12% deposit growth, we are able to maintain that without any difficulty in the liquidity.

– **Mr. Nitesh Jethani - Participant:**

– Got it, sir, that was really helpful. My second set of questions was on the corporate loan side, so, two pieces to it. Out of total loans which we have given on the corporate, on the incremental basis x the oil and gas international companies. Can you help me understand what portion would be towards greenfield capex or private capex, and what would be the working capital. And point two, also can you help me understand competition in the sectors since one of the large private banks recently announced that they left 40-50,000 crores kind of corporate loan because of increased competition. So, these two points if you can elaborate on the same.

– **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**

– You see our loan book to corporate sector is mostly divided into two parts - working capital and term loan, term loan is predominantly more. But then so far as the so-called corporate loan is concerned, what we understand as corporate loan, our loan book is not that high. So, we go for project specific loans only. And working capital of course is there. So, that is how we actually go about in our corporate book.

– **Mr. Nitesh Jethani - Participant:**

– So, out of the break-up say figure incremental Rs. 100 of corporate loan what portion would be working, what portion would be project specific in the last 9 months.

– **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**

– It will be roughly 65 to 70% is term loan only, balance 35 roughly is around working capital.

– **Mr. Nitesh Jethani - Participant:**

– Got it. And, sir, competition?

– **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**

– You can say 65:35 is the best proportion.

– **Mr. Nitesh Jethani - Participant:**

- Okay, got it. And, sir, competition in the sector, any competition, are you guys also facing or seeing intense competition.
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- We are growing at 14 to 15% rate and it is not only this quarter, the previous quarter also we were growing at the same pace. So, competition of course is there, and competition should be there also. But we are maintaining our pace, we are growing at a decent pace, so I don't feel any problem with regard to growth in corporate credit. Of course, our emphasis is more on RAM where we have about on and around 55%. And here it is around 45%. So, same proportion we propose to maintain. And growth rate, of course, is very decent in both the sectors, RAM and as well as corporate.
- **Mr. Nitesh Jethani - Participant:**
- Got it, sir, thank you so much.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Thank you.
- **Moderator:**
- Thank you. Ms. Mona Khetan, you can unmute yourself and go ahead with your questions please.
- **Ms. Mona Khetan - Participant:**
- Hi, sir, good evening. Am I audible?
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Yes, madam, audible, you can speak.
- **Ms. Mona Khetan - Participant:**
- Sure, thank you. So, firstly on the credit cost front if I look at the credit cost for this quarter which is total provisions if I look at, total provisions to loans would be around 150 basis, so going forward where do you think it will settle at say in FY24?
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Yes, madam, you see that the credit cost is coming down slowly. The reason behind that is our corporate goal is always our recovery should be more than our slippages, there we are working very hard on that both on the side of the underwriting standards as well as on the follow up. You look at that sequentially if you see even year-on-year wise if you look at both sides, our slippages are coming down drastically and continuously. Now our slippages are only 3040 crores whereas our recovery and upgradation together it is more than 4000 crores. So, that's where the actually the credit cost gradually coming down. Second one is our risk weighted assets, our risk weighted assets and the risk weighted assets are gradually improving quarter on quarter. Now we have stood at 65%.

These two things majority already our colleague has shared with you that our corporate book 78% is from only A and above rated. So, only remaining 22% out of the 12% is BBB and 10% is BB. There is a reduction in the BB rated corporates. These are all the measures what we are benefit for us both sides, as well stressed asset side as well as in underwriting standards also that is helping us in maintaining this 1.21. The 1.21 is much, much less than what we have given the guidance to the market. And we are confident that we can maintain this.

– **Ms. Mona Khetan - Participant:**

– Okay. So, 1.21 would be the NPA loss provisions to...

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– In and around the same level, madam, 10 basis points here and there, see it can be less than that or it can be, our guidance we have given 1.5 but we are maintaining at 1.4, we are maintaining at 1.2-1.25 that is the range. As on date it is 1.21.

– **Ms. Mona Khetan - Participant:**

– But just trying to double check so when you give this guidance is it related to the total provisions or just the loan loss provisions?

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– No, total provisions, madam, everything is taken into account. You look at our PCR, that is also increasing steadily.

– **Ms. Mona Khetan - Participant:**

– Sure, got it. And secondly if you could share the mix of EBLR and MCLR in your loan book.

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– Yes, madam, 49% of our advances are MCLR related and 38% is around RLLR, the remaining is staff loans, loans against deposits, such type of loans.

– **Ms. Mona Khetan - Participant:**

– Got it. And the repo link loans are immediately repriced?

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– 38%, madam, and actually even the last time December when the 35 basis points have been increased in the repo rate we have not immediately passed it onto the customers, we have passed it on only in January. Whereas all our peer banks have passed it on in December itself. We are always considerate towards our customers because they are our stakeholders.

– **Ms. Mona Khetan - Participant:**

- Okay, So, the reset period as such is immediate but then you choose to pass on depending...
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Naturally, RLLR always, it is whenever there is an ALCO Committee, post to announcements from the regulator whenever that ALCO Committee meets then they will pass it onto the customer. But MCLR it is resetting depending on period they opt for that.
- **Ms. Mona Khetan - Participant:**
- Okay. But as such the RLLR is immediate re-pricing, right?
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Naturally, madam, that is actually inbuilt of RLLR, repo rate, it is directly linked to repo rate.
- **Ms. Mona Khetan - Participant:**
- Okay. No, but what I was trying to understand is the reset period differs between banks, some banks have immediate re-pricing, some have 3 months re-pricing, reset dates. So, what is it in your case.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- We are entitled for passing on the same day, next day. But generally, we look at that it is a business call. If we want to grow something we want in certain areas we will pass it on the next month, or we will pass it on immediately. Generally, it will be decided in the ALCO Committee, madam.
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- And what you are referring to, Monaji, is basically the MCLR reset dates, MCLR reset dates falls on various dates depending upon when it is applicable so that we keep on changing accordingly.
- **Ms. Mona Khetan - Participant:**
- Sure, got it. And on the slippages front if you could share the breakup of your slippages within the various segments.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Around 1050 crores is from agriculture, madam, 1150 crores from MSME, around 750 crores is from retail. We don't have any corporate side slippage in this quarter.
- **Ms. Mona Khetan - Participant:**
- Okay. 1150 from MSMEs?
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Yes, madam.

- **Ms. Mona Khetan - Participant:**
- Okay. And if you could also share your slippages from restructured books so far?
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Actually, there is RF1 and RF2, RF1 the slippage is around 2.8%, madam, RF2 it is related to MSME and retail - it is around 14%.
- **Ms. Mona Khetan - Participant:**
- Okay. If you could share the total quantum and also the total restructured book, if I have to include the MSME and both RF1 and RF2 and exclude any common.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- I am sharing with you the outstanding whatever is there as on December 31st, madam. RF1 the outstanding is 2800 crores, RF2 is around 11,500 crores, madam.
- **Ms. Mona Khetan - Participant:**
- Okay. And the slippage from 2800 is 2.8%?
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Yes, madam.
- **Ms. Mona Khetan - Participant:**
- And the second one, 11,500 is?
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- It is 14%.
- **Ms. Mona Khetan - Participant:**
- 14%, okay. And the MSME book?
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- RF2 is MSME, part of that, the MSME is originally it is there, there also it is the slippage is around 12 to 13%, madam.
- **Ms. Mona Khetan - Participant:**
- Okay.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

- There the outstanding is 2200 crores.
- **Ms. Mona Khetan - Participant:**
- Okay. So, if I have to look at the total restructured book it will be around?
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- 16000.
- **Ms. Mona Khetan - Participant:**
- 16000, okay, got it. And how much of...
- **Moderator:**
- Ms. Mona, kindly request you to join the queue as there are several participants. Thank you. Mr. Ashok, you can unmute yourself and go ahead with the question please.
- **Mr. Ashok - Participant:**
- Good afternoon, sir, congratulations to you, Mr. Raju, for taking over the MD and CEOship of such a large bank, Canara Bank, and we are I think meeting you for the first time in this analysts meet of Canara Bank and all the best to you with that. Sir, I would like to compliment the Bank, the entire top management and the people in the bank for giving another, and I see Ashok Chandraji also, sir, welcome to you, I am seeing you now in Canara Bank on a lighter note.
- **Mr. Ashok Chandra – Executive Director, Canara Bank:**
- Thank you.
- **Mr. Ashok - Participant:**
- Sir, compliments to you for another set of good numbers. Sir, I joined a little late because I was in the other bank's conference, I don't know whether this point has been covered or not. My first question, sir, or rather some information point is on the technology front. On the IT front where do we stand? Because I remember Canara Bank long back years back was the least IT bank, I mean it started very late on the IT. But now of course, it has caught up very well. So, what is the present position, what are the budgets, how are we going for end-to-end solutions for the entire bank or how are you making it as a digi bank. Some views on that, sir, and the budget.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Definitely, sir, I would like to share with you that MeitY generally assesses all the Indian banks whether it is a private sector or a public sector based on certain journeys they have undertaken and it is reflected in the transactions in those journeys. According to those journeys like semi-urban, rural, north Indian states, everything will be taken into account. Based on those things 2021-22 financial year, previous year, MeitY has ranked Canara Bank as Number One in India among 47 public

sector and private sector banks together. That shows the way what we are adapting the technology, how fast we are reacting to that. The steps that we are taking in is resulting in number of transactions how it is improving quantum wise. Just two years back we were at 192 crores transactions. Then last year it has gone upto to the 258 crores, and this year already we crossed 330 crores and we are left with 3 more months. And we are sure that we are going to cross 400 crores. The major contribution what we are getting is the initiation that we have taken in upgradation version of our mobile app, ai1. It has been introduced in June-July last year, within 6 months we got 4.2 to 4.3 public rating on the Play Store. And the people generally whoever are using that they felt it very customer friendly with innovative versions like whenever you feel some discomfort or some suspected transactions in any of the mode, we have given a liberty to the customers that they can block in and block out. This feature has been introduced by us that has attracted the customers very well. And just one year our on-boarding the customers and active customers have increased from 77 lakhs to 155 lakhs. And simultaneously we realized that our penetration in the rural and semi-urban, our concentration is very high because 60% of our branches are in rural and semi-urban. We thought that popularizing a QR code will be another area so that you can bring our rural and semi-urban customers into the digital front. That's why we initiated the QR code popularization in addition to the BHIM QR code. This QR code will be generated not at the central level, even each branch they can generate and give it to the customers. And last 12 months we have distributed more than 21 lakh QR codes and this is the highest amongst the public sector banks. That QR codes also in addition to that to make them more comfortable, these digital fronts whatever we are taking we are taking in the local languages, vernacular languages, 11 languages we are introducing it. And another one what we are doing we created a QR code app that is like a passbook. Generally, when you find a mobile app, you will have a passbook, but when one vendor who is having 4 QR codes or 4 POS machines with a different-different outlets, he should be able readily verify the QR code wise reconciliation. To make that more comfortable we created this app, and this has been given to all the people, it is also ai1 Merchant App, that is also well received, so that reconciliation is not a problem and for any transaction they need not go through their passbook, they can look at only for this app and the POS machine wise or QR code wise they can reconcile. The third one is in India the first bank who has introduced audio system in confirming transaction success in QR code. And it has been first experimented in Bangalore and it is well received by the people. So far in India only private operators are providing that audio QR code box whereas now in the banks, we are the first bank we are enhancing to entire country by this month end, and definitely that will be a game changer. Another initiative is we are also participating, it is in the UAT stage - CBDC and definitely we will come out immediately whenever that infrastructure is, infrastructure is ready. One the UAT is over we will come out with CBDC and then we are going for the digital ending platform comprehensively end-to-end so that majority of the RAM we want to route through the digital front.

- That we are going to achieve it by next six months, so we are working very hard on that and in addition to that we want to provide API banking to our Corporates. That is another game changer for our CASA. We know that we have to work hard on our CASA. We are taking several initiatives on the CASA. This is one of that, that we are dealing with the corporates but we are unable to encash it because of lack of the technology platform but we are coming out with that API banking within this month, the next week, with the 15 features and several such even in the Cloud, even in the many such areas we are working on that. Many initiatives have been taken and just two years back we

invested 700 crores. Last year we invested 1000 crores, this year we budgeted for 1400 crores and next year we'll continue for higher implementation of the technology, Sir.

– **Mr. Ashok - Participant:**

– Thank you very much, Sir, for taking us such a long journey, your IT journey, and it's good to know. Many of these things were not known basically but, yes, thanks a lot for and with a great speed you have taken us the entire journey. Point well taken, Sir, and we give credit to you for the same.

– Sir, I've got a couple of other some questions and some data points. One is that, in that point Number 17 SR of 533 crore, the provisions figure is not given. I believe it must have been provided 100%.

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– Yes-yes.

– **Mr. Ashok - Participant:**

– Yes, Sir. Okay, so 533 crores is fully provided for. And, Sir, can you just run through note Number 20 where the taxation, DTA and P&L 2490 crores and we have taken the provision which was earlier provided in '21-'22 of 1578 crores reduced from that, that is reversed, and 443 crores change in the...because of the new tax regime? So, can somebody...like we have this year the tax provision of 949 crores.

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– Our CFO will clarify to you, Sir, exactly regarding on that tax benefit and all. Mr. Majumdar is our CFO. He's clarifying to you.

– **Mr. S K Majumdar – CFO, Canara Bank:**

– Sir.

– **Mr. Ashok - Participant:**

– Yes, Sir. Please, Sir.

– **Mr. S K Majumdar – CFO, Canara Bank:**

– Sir. Sir, your query is that why we have provided higher tax or what exactly is the query?

– **Mr. Ashok - Participant:**

– No-no, I just want to know, number one, we have come in the new tax regime now, so what is the DTA figure now left because here 2490 crores would have been into the Profit and Loss account in this quarter but the excess provision of '21-'22 of 1578 has been reversed. So, going forward where do we stand? What will the picture on 31st March 2023?

– **Mr. S K Majumdar – CFO, Canara Bank:**

– Sir, our DTA is...

– **Mr. Ashok - Participant:**

– Sir, you are not audible.

– **Mr. S K Majumdar – CFO, Canara Bank:**

– Sir, our DTA presently is at around 6600 crores. So, if you know as far as DTA is concerned that up to CET 10% of my capital it is allowable.

– **Mr. Ashok - Participant:**

– Yes.

– **Mr. S K Majumdar – CFO, Canara Bank:**

– So, I am only maybe 200-300 crores more than that. This quarter profit, say for the March quarter profit I will be coming to a DTA level which is just about 10% of CET 1. So, which I did not provide any additional for that. So, that is one part of it. That is when I talk about what is DTA and providing.

– Another question is, maybe that when I have moved into a lower tax regime that how my tax like my provisions...

– **Mr. Ashok - Participant:**

– Yes.

– **Mr. S K Majumdar – CFO, Canara Bank:**

– I have a provision of around 900 crores which we have provided. Sir, whatever accumulated losses I had at the beginning of the year that was around 7300-7400 crores. That entire amount has been completely wiped off now till by December. So, I do not have any accumulated losses. My slippages are coming down, that way my provisions are coming down, my realizations are going up. So, my provisions are getting reversed. So, my taxable income that way is going up. That is how this is a bit higher. You may feel that in spite of my reduction there is 900 crores.

– **Mr. Ashok - Participant:**

– Yes.

– **Mr. S K Majumdar – CFO, Canara Bank:**

– That is mainly due to that I no longer have any accumulated losses with me and my deductions, taxable deductions, in the form of provisions more NPAs and provisions are coming down. So, I have to now provide more for tax because taxable income is growing.

– **Mr. Ashok - Participant:**

– Yeah. So, now whatever profit we have now in the March quarter we will have to provide additionally to that extent bearing some set of small amount.

– **Mr. S K Majumdar – CFO, Canara Bank:**

– Exactly. Exactly.

– **Mr. Ashok - Participant:**

– So, that gives a little clear pictures. Thank you very much for the same, Sir. Sir, my last question in this round. Raju Sir.

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– Sir.

– **Mr. Ashok - Participant:**

– Is the on the credit growth, Sir. Our domestic credit growth this quarter was 2.67 and overall 3.26. I might have missed some initial comments of yours but just in order for myself to be little comfortable...

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– What problem, Sir?

– **Mr. Ashok - Participant:**

– Hello? What kind of figure we look for March quarter, number one, and now going forward '23-'24 when overall credit scenario is improving and you are a large bank I understand, so where do we stand on the credit growth front and you are already, I think, CD is around 73.5 something, so going forward will you also be comfortable up to 79%-80%? Going forward with such kind of profitability?

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– Sir, actually for current nine months period the Domestic Gross Advances Growth is around 14% and our RAM also is growing around 13.81% means more or less. 14%. So, this 14% whatever first nine

months we are grown, we are confident that this current quarter also we will grow at least a minimum that 14%. That is a guidance for what we are going to give to the analysts, Sir.

– Regarding next year, we feel that the same tempo will continue unless otherwise any unexpected things happens but otherwise we are more or less 14%-15% growth rate will be there.

– Another question what you asked about CD ratio.

– **Mr. Ashok - Participant:**

– Yes.

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– CD ratio, actually, earlier we have started our journey just to two years back we were at 67%. Now we came up to that 73.51%. Suddenly we don't want to jump into that 79% but we are aiming for 75%; 1% or 2% in and around. That is our actually the guidance we are looking at and we will work on that, Sir, because presently we are at 73.5% and we may look at 75%; 1% or 2% here and there.

– **Mr. Ashok - Participant:**

– Am I permitted to ask one more, Moderator?

– **Moderator:**

– No, Sir, sorry. There are several participants.

– **Mr. Ashok - Participant:**

– Thank you. Thank you. Thank you. I'll come back again.

– **Moderator:**

– Mr. Deepak, you can unmute yourself and go ahead with the question.

– **Mr. Deepak – Participant:**

– Hello?

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– Hello, Sir.

– **Mr. Deepak – Participant:**

- Thank you very much, Sir, for the opportunity. First I have two questions. Now, Number one is, I just wanted to understand our Provision Coverage Ratio is at 87% around has been on an increasing trend. So, Sir, what is the optimum statistic level we are looking at in terms of our PCR ratio?
- And my second question is, in terms of ROA. I mean what sort of ROA vision we would have maybe for the next year or going forward.

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

- Sir, first the Provision Coverage Ratio. Provision Coverage Ratio, we have not kept a target that something we have to achieve it like that but we want to make our Balance Sheet is a future ready, as we were telling for the last two years. We want to continue that whenever we have the sufficient profits in that we want to strengthen our Balance Sheet by seeing that as much as possible to provide for our stressed assets. So, our continue whatever last one year we have increased almost 300 basis points. The same tempo will continue in the future also. So, the Provision Coverage Ratio will gradually increase; show a steady growth on that.
- The second question, Sir, what you asked?

– **Mr. Deepak – Participant:**

- ROA. 0.76%.

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

- Return on Asset. This is actually we have achieved 0.76, Sir, and what we are given last time your guidance is 0.70. So, whatever the guidance we are given it for March it is 0.70. We are already achieved at 0.76. So, definitely the same tempo will continue in the future also, Sir.

– **Mr. Deepak – Participant:**

- Well, I mean, is there any thought process to target at least 1% ROA next year?

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

- So, that's what I'm telling, quarter on quarter there will be a steady growth. We may aim for the 1%. We may come five basis points here and there.

– **Mr. Deepak – Participant:**

- Yeah, that's fair enough. I mean, see, even we are targeting maybe 90-100 basis points kind of a ROA...
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- No, because next year so whatever the budget, Sir, this to be discussed in the Board and then we will come out with the guidance to the public but generally with the same tempo what we are showing for the last four or five quarters, I'm sure that we will be nearer to the 1% with the five basis points here and there.
- **Mr. Deepak – Participant:**
- Alright, fair enough. And in terms of PCR, just a follow up on that. So, 90%-95% is the level that we want to achieve even at this level or 85% is optimum PCR level that you'll like to maintain?
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- No, Sir, if 85% is optimum then we wouldn't have showed 86.3% know. We already shown that PCR is 86.3%.
- **Mr. Deepak – Participant:**
- Correct.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- So, we are aiming that every quarter let us show some 1% additional comfort in the form of additional PCR. We are trying to do that.
- **Mr. Deepak – Participant:**
- I understood. I understood. Fair enough. Okay, yup, that's it from my side, Sir. All the very best. Thank you.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Thank you very much, Deepak ji.
- **Moderator:**
- Thank you. Mr. Jay Mundra, you can unmute yourself and go ahead with the question.
- **Mr. Jay Mundra – Participant:**

- Hi. Good evening, Sir, and thanks for the opportunity.
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- Good evening, Mundra ji.
- **Mr. Jay Mundra – Participant:**
- Yeah, Sir. My question is on incremental margins, right. So, if I look at 444 schemes and there the bank is giving a deposit rate, very lucrative deposit rate, of 7.1%+, right, and our current NIMs are 3% almost. So, this 7.1% deposit scheme, this is clearly NIMs dilutive, right, or you have some loan products which are yielding you more than 10%. So, I wanted...
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Yes, Sir., see, always your credit portfolio will be a combination of those things, Sir. Whatever the pricing we have shown to the people or whatever it is, it is a ranging from various risk categories; moderate risk and all. So, moderate risk people may be paying a higher rate of interest. That's the reason you look at that even last quarter, entire quarter, we have offered 7.5%. 7% plus 0.5% for senior citizens on 666 deposit. That has been launched on October 6th. Throughout the quarter we paid that 7.5% on the deposits. We have almost more than 1 lakh crores we garnered in that scheme but even then we could manage. The cost of deposit, it has increased from 4.09 to 4.19, whereas yield on advances, you look at that, we have increased almost 20 basis points. So, with that comfort we are sure that we can manage this whatever...We have shown that 3% margin can be easily manageable and let me correct to you that our deposit is 400 days and based on our comfort only we are offering those periods.
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- And it is basically a weighted average cost, you know. It is not that the whole portfolio of deposit will consist of these 400 days deposits. So, it is better depicted in cost of deposits and yield on advances. So, there I think we will be able to get better NIMs.
- **Mr. Jay Mundra – Participant:**
- So, I agree, Sir, that this is on weighted, average one should see but I was asking from incremental perspective. Of course, there are a lot of tailwinds, right. You have had EBLR portfolio has been reprised by 225 basis points give or take, right, and hence we have had NIMs which are 3% multi quarters, multi years high but if on incremental yields are such that, you know, if this deposit schemes of 400 days is actually NIMs dilutive on an incremental basis then NIMs will come off arithmetically. Right? So, I wanted to check...Yeah.
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**

– Sir, we will do some course correction and balancing, of course. It is not that once we have introduced a scheme it will continue for a long time. If the interest rate scenario changes drastically, which we don't foresee right now, then of course we also have to do some corrections in the liability space so far as the rates are concerned. So, as on today we've thought that this is the optimal balancing what we are having today NIM of around 3%. As on today, we expect that to continue. That is what we want to say.

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– And another, Mundra ji, this offering of special deposits is not an unlimited period, Sir. These schemes always will be a limited period to the extent of our appetite. Whenever we feel that our appetite is completed we will withdraw that schemes.

– **Mr. Jay Mundra – Participant:**

– No, of course, Sir. What I wanted to check is, is there any product on the landing side, which is yielding you, let's say, 10%? You know, is the pricing cover...

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– See, many such products will be there, Sir. Many such products will be there. We have a Canara Budget Scheme that will attract...it's 11.5%. There is almost 19,000 crores portfolio. Like that several schemes are there. We have ample schemes. Bucket wise if you compare, it is easily manageable. That's not a big issue.

– **Mr. Jay Mundra – Participant:**

– Okay. And, Sir, on your Gold loan if you can bifurcate of your 1 lakh crore plus gold loan, how much is Agri backed and how much is retail gold? And if you have a specific strategy to sort of grow the retail gold loan book?

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– No, as on date our 95%-96% is agriculture only, Sir, in the gold loan because our major gold loan contribution has come from South India where our branches are located mostly in the rural and semiurban branches but that retail products also is there. There the traction is there but we look at keeping on our commercials. In Retail, we may not able to offer the competitive rate so but Retail there is a product, there is a traction but the portfolio is around 5000 crores.

– **Mr. Jay Mundra – Participant:**

– Understood. And, Sir, if I were to see your PSL income, right, so usually it will have some seasonality around it. Third quarter, I think, the PSL income is very, very minuscule at around 70 crores. The

fourth quarter, I mean, how has been the seasonality. Should it be like similar to three quarter or third quarter or it can rise substantially or it will only rise going into next financial year; first quarter, second quarter?

– **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**

– Normally, fourth quarter would also, we are expecting it to be equally muted and it all depends on the other banks appetite, you know. It's a marketplace, we are ready with surplus PSLCs to issue but we don't foresee much of a traction in that in the fourth quarter.

– **Mr. Jay Mundra – Participant:**

– And lastly, 2 questions, Sir. One is, what would be your NPA recovery expectations in fourth quarter because there are a lot of assets which are nearing resolution? You know, some of them are large, some of them are medium size, so what would be your best guess for recovery including NCLT and everything in fourth quarter?

– **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**

– Sir, we would keep it like this that on a quarter-to-quarter basis our recoveries have been or reduction has been more than our slippages. That trend will continue, Sir. With regard to the specific numbers, it is premature, yes, you are right. In many such bigger cases we are nearing the resolution stage but unless the money comes, you know, we have seen this happening in previous quarters also that money was supposed to come, it didn't come and so there was a spillover. So, we want to keep it like that, Sir, in this interaction that, yes, we will maintain that trend of more recovery than the slippages.

– **Mr. Jay Mundra – Participant:**

– Further and last two clarifications, Sir.

– **Moderator:**

– Okay.

– **Mr. Jay Mundra – Participant:**

– Yeah. One is, our capital number that is shown that includes the interim nine months PAT, right? That is first clarification.

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

- Yes, Sir.
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- Yes, yes, yes, that is there. That is a part of that.
- **Mr. Jay Mundra – Participant:**
- But the interim PAT is included, right? That is...
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Yes, Sir.
- **Mr. Jay Mundra – Participant:**
- Sure. And second clarification, Sir, I just missed that 15000 crores of Oil and Petroleum disbursements in this quarter, they are there in Overseas Book or...? Because Overseas Book...
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Overseas Book, Sir.
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- These are in Overseas Book.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Overseas. Overseas Book
- **Mr. Jay Mundra – Participant:**
- Because, Sir, that quantum is not that QoQ increase, if I see, not to that extent, right? So...
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- No, it is there, Sir. From 33000 to it has increased to 50000. Out of that 15000 is from Oil companies in the overseas.
- **Mr. Jay Mundra – Participant:**
- Okay. Great, Sir. Thank you very much and all the very best.

– **Moderator:**

– Thank you. Mr. Anand, you can unmute yourself and go ahead with the question.

– **Mr. Anand – Participant:**

– Thank you, Sir, for the opportunity. So, first and foremost, your OpEx seems to be far, far lower, is it that basically you are undercutting on the OpEx front not adding as much of franchise or people on the ground? Because in the current scenario you will need a lot of deposits. Basically, you're trying to mobilize deposits largely through offering higher rates rather than, you know, expanding branches as much as you need to? Any comment for that?

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– So, regarding the Operating Expenses your question is. So, Operating Expenses, we are the one bank among these amalgamated banks has best used their synergy benefit. You can look at, you can compare among all these 5-6 banks which are subjected for the amalgamation. We are able to maintain that Operating Expenses very controllable; under control. The reason behind that is we are using our resources very optimally and while closing down the outlets or while redeploying our units, we are looking at only the area where it is a potential and wherever certain leakages were there that we could plug in very well. That is the reason, one, our Operating Expenses are very efficient. Especially when there is an amalgamation, we got an opportunity to renegotiate with all our 10000 landlords; 10000 plus...14000 ATM landlords on the rental values. There we could save a lot of money due to Corona or whatever it is, their competition is there in the market. Almost every year we are saving near to 160 crores what we are paying. We have saved money. So, if you look at the 10 years, next 10 years, it works for around more than 2000 crores. The same thing, when our volumes became a double we could renegotiate with all our vendors in the technology and we have saved in one year almost more than 500 crores. It is not that we are compromising with our network or anything. Even now you can compare that our branch network is much, much bigger than all our peer banks. We are not too keen on closing all the branches wherever it is unremunerative and all. We have a responsibility towards rural and semiurban, we will continue those branches but at the same time enhancement when you go for the instead of going for an ATM we are looking at with the same transaction, same type of services we can extend through BC point. We are focusing more on extending the BC point. That you can easily make out that September our BC points are 8900 and now we are already...Actually, now recently we have crossed almost 14000. We have recruited almost 6000 BCs in this last one or two months. So, we want to expand our outlets, we want to expand our services but at a better, minimal Operating Expenses. That is the reason it is showing that our OpEx is under control.

– **Mr. Anand – Participant:**

– Hope so. But then basically, Sir, if you look at their CASAs ratios, even during the best of the times, were not as good as one would have expected it to be after the amalgamation and now you are

facing a lot of challenges on the deposits front and that's the reason the kind of scheme that you're offering could hurt your margins going forward.

– **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**

– No. Here, Sir, let me come in. Our OpEx expenditure what you are saying, Operating Expenditure, it is not that we are, you know, reducing our expenditure for garnering of deposits. No. Our branch network is there. We are having, you know, enhanced BC network. From there we can garner CASA. So, it is not our intention to do Wholesale Banking from the liabilities side. No. We still intend to go deeper and, you know, from our own customer as well as bringing in fresh customers we want to increase our CASA. So, that will be our endeavor for the coming quarters as well.

– **Mr. S K Majumdar – CFO, Canara Bank:**

– That is the reason we are investing heavily on the technology, Sir, to garner this CASA. We know that our CASA is low historically but we want to correct that and you will see in the next coming quarters that clear change in that CASA, Sir. That's why we are coming out with the heavily investing on the technology to attract more younger generation as well as various sectors.

– **Mr. Anand – Participant:**

– Sir, secondly on the ECL provision norms which have just come up, any impact that you can talk about that you've calculated? Because I believe that parallelly you also submitted your accounts based on IFRS to RBI, so at least there you would have some...

– **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**

– That is just an exercise which we do because RBI, as you all know, have not yet come out with any guidelines with regard to IndAS for the banks. So, that is an exercise which we will continue to do. No impact so far as our bank is concerned because we are not following IndAS. So, I want to keep it at that only.

– **Mr. Anand – Participant:**

– So, but if you have to then any rough estimate that you have made?

– **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

– No, one thing we can say that the gap, the capital gap that will arise, we are at par with all our peers. In fact, we may be a bit better off. This much only we can say that from the capital point of view the extra provisions that goes into that what the gap that exists we are no less. This much we can say at this point.

- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- We're not more than that.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- We're not more than that. We are at par with all our peers.
- **Mr. Anand – Participant:**
- Sure, Sir. Thanks. Thanks a lot.
- **Moderator:**
- Thank you. Mr. Pranav, you can unmute yourself and go ahead with your question.
- **Mr. Pranav – Participant:**
- Hi, Sir. Congratulations on the great set of numbers. Sir, I have just one question. So, you took a number of price hikes in loans and also hikes in deposit rates, I just wanted to understand that what percent of book has been, in loan book, has actually out of price hike how much of it is yet to come time weighted? So, for example, say you have taken 35 basis point hikes then how much of the book is still remaining because of the time difference because some of the loans will get reset on say X number of days? And how much...same thing for deposit rate? So, basically, incremental spread on existing rates weighted average, what is that? So, is it above current NIM or below our current NIM. Thanks a lot.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- It is related to the REPO rate linked rates. We already clarified to the people that our 38% of portfolio is RLR linked. There it isn't already affected. The remaining 49% of MCLR is one month, three months, six months and 1-year MCLR, that is the resetting dates. We have started growing these things for the last two...October is there, August something is there and now December we have affected in the January. So, January whatever we affected that you would get where our majority of the...even 80% of our loans are one year resetting loans. So, because in those one-year resetting loans you will get benefit only after up to the December whatever it has happened only that you are entitled for recovery till the one year is over. So, that will have an impact on that as and when it has come for the resetting. So, I don't think it will have an impact on our NIM at any cost because you look at the market. Even now, today, our MCLR is less than all the big peer banks.
- **Mr. Pranav – Participant:**
- Right, Sir.

- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- We are not passed on whatever exactly other banks are passing on to the borrowers.
- **Mr. Pranav – Participant:**
- Right, Sir. And on the deposit side you have taken whatever hikes you have given? Are they completely in the base or still there will be some increase in deposit rates going forward? Like I am saying about the existing rates.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- As it is, the rate of interest and deposit defiance is depending on our liquidity comfort, Sir. As on date we are comfortable to match what we projected in the credit growth. So, I don't foresee any big change in that deposit rates; near future.
- **Mr. Pranav – Participant:**
- Sir, I'm not asking about new hikes. So, suppose if REPO gets above some certain level you will get
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- See, look at that, Sir, look at that scheme. When you are given our we have a term deposits of 6.5 lakh crore. So, the scheme what we introduced is we got it around 80000-90000. That means remaining are with the normal rate.
- **Mr. Pranav – Participant:**
- Right.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- It is not that we have offered a special scheme and all deposits will convert into that special scheme.
- **Mr. Pranav – Participant:**
- No-no-no, I'm not saying that. I'm saying that is three months of rate hikes of deposits is in interest expense of this month? That's it. I'm not saying anything other than that.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**

- So, last quarter when we have enhanced it from October 6th onwards, that mean entire quarter has been already passed on.
- **Mr. Pranav – Participant:**
- Perfect, perfect. So, that means that in the short term, that is Q4 and Q1, if everything remains same then our NIM is in the same narrow range. Is that right?
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- We are confident, Sir,
- **Mr. Pranav – Participant:**
- Super-super. Thanks a lot, Sir.
- **Moderator:**
- Thank you. Sir, we have one question from the chat box. Sir, Q on Q jump in interest income was quite high at 11%, is there any one off?
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- No, Madam.
- **Moderator:**
- Okay. And, Sir, any plans in capital raising?
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- No. Actually, as it is, we are already growing quarter on quarter. Our 7300CRAR is improving comfortably. We are comfortably above 16%. Still, our Board has approved during the first quarter that's almost 9000 crores. Out of that we have already raised 6000 crores. There is a gap of 3000 crores. Depending on our cost and the requirement only we will look into that at the appropriate time whether to go for the 3000 crores or not.
- **Moderator:**
- Okay, thank you. Sir, we'll take that as the last question. Participants, thank you for participating in the conference call and thank you. Sir, I'll hand over the management for the closing remarks. Over to you, Sir.

- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Thank you. Thank you so much all the analysts who have participated and taken so much pain to participate in this, Sir. We can assure you from the top management that whatever the performance we are showing consistently for the last several quarters, it will continue in the future also with much more aggression in the technology side. We are actually thinking of focusing more on reconnecting the customers through a better technology. We can assure you that this performance will continue.
- **Moderator:**
- Thank you so much, Sir.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Thank you once again, Sir.
- **Moderator:**
- With this, I shall now end the meeting. Thank you.
- **Mr. K. Satyanarayana Raju – Executive Director, Canara Bank:**
- Thank you.

(END OF TRANSCRIPT)