

**PRESS RELEASE**

**Net Profit for Q4 Zooms to `899 crore, up by 78.7%**  
**Surpassed the landmark `5 lakh crore in Business**

**Major Highlights –Q4FY11**

- Net Profit at ` 899 crore, up by 78.7%
- Total business at ` 506440 crore, up by 25.4%
- Net Interest Income at ` 1973 crore, up by 23.5%
- Net Interest Margin (NIM) expanded to 3.12%, up by 32 bps
- Return on Assets at 1.27%
- Healthy Capital Adequacy ratio at 15.38%, Tier I ratio at 10.87%
- Successfully raised `1993.2 crore through QIP
- Gross NPA ratio at 1.45% and Net NPA ratio at 1.11%
- Record Cash Recovery of over `2000 crore.
- Provision Coverage Ratio at 72.99%
- Raised of \$350 million through MTN for overseas business funding

- **Net Profit** of the Bank for Q4 FY11 zooms to `899 crore, by recording a robust **78.7% growth** over net profit of `503 crore for the Q4FY10.
- **Operating Profit** rose to `1695 crore compared to `1430 crore a year ago.
- The **Provision Coverage Ratio** stood at **72.99%** as at March 2011 which is well above the RBI stipulated 70%.
- A **dividend of 110%** is declared by



the Board of Directors of the Bank compared to a dividend of 100% for FY10.

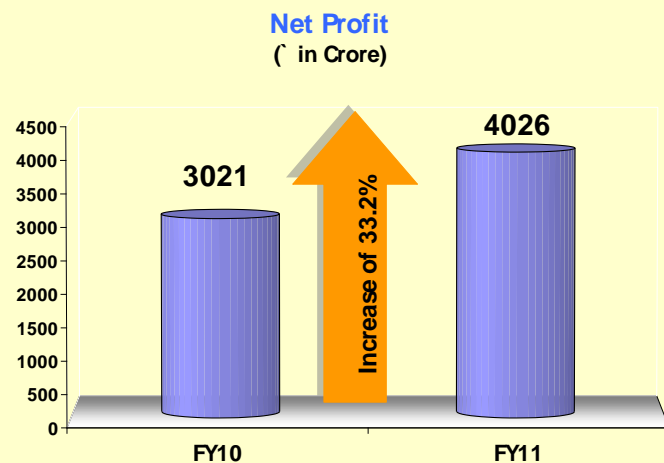
- **Return on Average Assets (RoAA)** for Q4FY11 improved to **1.27%** compared to 0.87% a year ago.
- While **Earnings Per Share (EPS)** improved to `20.76 from `12.27 a year ago, **Book Value** rose to **405** compared to **306** as at March 2010.

## Income and Expenses

- The Bank's **total income** for Q4 FY11 grew by a healthy 33.5% to reach ` 7351 crore, including ` 4823 crore income from **loans/advances**.
- **Non-interest income** of the Bank rose to `933 crore, with growth of 31.4%.
- While growth in **total expenses** was 38.8%, **operating expenses** rose by 38%, mainly due to provisions on gratuity and pension of ` 370 crore.
- **Net interest income** improved to `1973 crore, with a growth of 23.5% compared to ` 1598 crore in the same quarter a year ago.
- **Net Interest Margin (NIM)** for FY11 **increased by 32bps to 3.12%** from 2.80% as at March 2010.

## FY11 Performance

- **Net profit** for FY11 rose to **4026 crore, with y.o.y growth of 33.2%**, compared to `3021 crore in FY10,
- **Operating profit** for the FY11 grew by 20.7% to `6107 crore compared to `5061 crore last year.
- **Total income** for FY11 increased to `25767 crore, with y.o.y growth of 19.2%, supported by a 22.3% growth in **interest income from loans/advances**.
- **Net interest income** for FY11 rose to `7823 crore from `5681 crore a year ago, recording good robust growth of 37.7%.

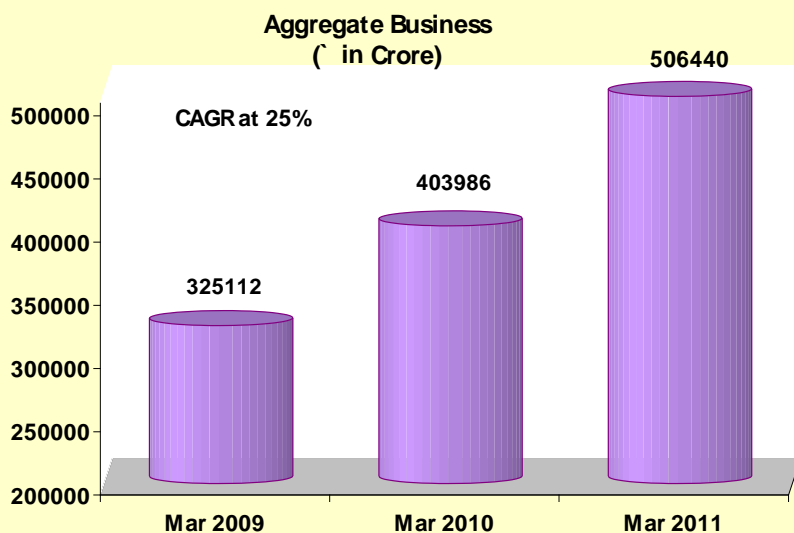


## Capital Adequacy

- **Capital Adequacy Ratio** improved to **15.38%** compared to 13.43% as at March 2010. Tier I capital ratio rose to **10.87%** as against 8.54% as at March 2010.

- The Bank, during FY11, raised ₹750 crore under Innovative Perpetual Debt Instrument and ₹1000 crore under Upper Tier II bonds.
- Bank raised equity capital of ₹1993 crore through QIP issue.
- Total paid-up capital of the Bank increased to ₹443 crore from ₹410 crore last year.
- Post QIP, Govt. Shareholding in the Bank has come down from 73.17% in FY10 to 67.72% in FY11.
- The Bank has still adequate headroom available under both Tier-I and Tier-II options to raise capital to support business growth momentum.

## Robust Business Growth and Improved Productivity



- **Total business** of the Bank rose to a level of ₹506440 crore as at March 2011, recording a y-o-y growth of 25.4%.

- While **total deposits** grew by 25.3% to reach ₹293973 crore, **advances (net)** recorded an equally good growth of 25.5% to touch a level of ₹212467 crore. **Credit to deposit ratio** stood at 72.3%.

- The Bank's **overseas business** constituted 3.83% of the total business with ₹8840 crore under deposits and ₹10570 crore under advances.

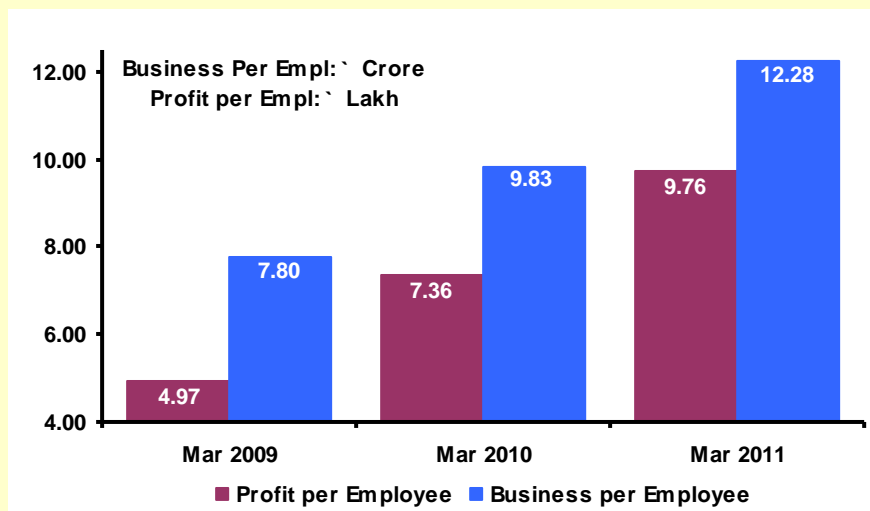
- The Bank's **CASA deposits** grew by 22% to reach ₹83117 crore as at March 2011.
- Savings deposits rose by 17.5% y.o.y. Share of CASA deposit improved to 30.30% compared to 29.85% a year ago.
- The Bank added over 20 lakhs SB clientele during FY11.

- During FY11, the Bank had launched a nationwide '**Savings Mahotsav**' campaign to mobilize SB deposits.
- During the campaign period, the Bank has brought in over **16 lakhs fresh SB clientele**.
- Robust growth in business has improved the **Business per Employee** to ₹12.28 crore and **Business per Branch** increased to ₹155.49 crore as at March 2011.

- The Bank's **clientele base** increased to **3.87 crore**, comprising **3.42 crore under deposit accounts** and **0.45 crore under borrowal accounts**.

### Asset Quality

- The Bank's **gross NPA ratio** improved to **1.45%** (**3089 crore**) compared to the gross NPA ratio of **1.52%** (**2590 crore**).
- Net NPA ratio** stood at **1.11%** (**2347 crore**) as at March 2011 as against net NPA ratio of **1.06%** (**1800 crore**) as at March 2010.
- Cash recovery** during FY11 aggregated to a record of **2032 crore**, higher than **1575 crore** in the same period a year ago.
- The Bank has **restructured 857 accounts worth 603 crore** during FY11.
- System driven NPA classification for accounts above **10 lakhs** has been implemented.



### Diversified Credit Portfolio

- The Bank's credit growth at over **25%** during the period was higher than the industry's growth and was broadbased across major segments, such as, **Retail, Priority, MSMEs, industrial and infrastructure**.
- The Bank's **retail lending portfolio** recorded a robust **32.1%** growth to reach **31572 crore**.
- Outstanding housing loan portfolio at **15219 crore**, constituted **48%** of the total retail lending portfolio.
- The Bank's credit to **Micro, Small and Medium Enterprises (MSME)** recorded a good growth of **21.3%** to reach **37684 crore** compared to a level of **31074 crore** as at March 2010.
- Outstanding **advances to the priority segments** grew by **19.3%** to reach **70757 crore**, accounting for **44.08%** of the adjusted net bank credit.
- Credit to agriculture touched **29656 crore**, signifying over **18%** growth and accounting for **18.48%** of the adjusted net bank credit against **18%** norm. Agriculture portfolio covers **31.18 lakh** farmers.
- Continuing its lead among nationalized banks, the Bank's **education loan portfolio** rose by **21%** to **3503 crore** with a coverage of **1.93 lakh** students.

### Financial Inclusion

- Continuing with its commitment to greater financial inclusion in the country, Bank has opened 6.02 lakhs No-frill Accounts during FY 11, taking the total tally of No-frill accounts to **27.84 lakhs since inception**.
- 19 **Micro-Finance Branches** have been opened to help urban poor. To spread financial literacy, 10 Financial Literacy and Credit Counselling Centres (FLCCs) are functioning in 4 States- Karnataka, Kerala, Tamil Nadu and Bihar.
- The Bank formed 3.51 lakhs **Self Help Groups** as at March 2011, with credit linking of 3.20 lakhs SHGs.
- Extending credit under financial inclusion, the Bank has issued 3.02 lakh General Credit Cards, amounting to `463 crore.
- The Bank has registered a new Trust, '**Canara Financial Advisory Trust**' to manage the Financial Literacy and Credit Counseling Centres.
- In a major thrust to push financial inclusion, the Bank, on its Founder's Day on 19<sup>th</sup> November 2010 issued 1 lakh General Credit Cards (GCCs) and 50,000 Smart Cards and opened 9 FLCCs.

### **Subsidiaries/Joint Ventures/Sponsored Entities and Foreign Branches**

- **Total business** of all 3 RRBs sponsored by the Bank reached `19860 crore, with a growth of over 13%. For the year ended March 2011, all RRBs posted a profit after tax of `72.59 crore.
- All subsidiaries and sponsored entities of the Bank performed better in FY11.
- The Bank has 4 overseas branches one each at London, Leicester, Hong Kong and Shanghai. All foreign branches recorded improved performance during the year.

### **Enhanced Delivery Channels**

During FY11, the Bank undertook **a major branch expansion drive** across the country. The Bank, on its Founder's Day on 19<sup>th</sup> November 2010, dedicated **100 new branches and 100 new ATMs** to the nation, inaugurated by **Shri Pranab Mukherjee, Hon'ble Union Finance Minister**. During FY 11, the Bank added 211 domestic branches and one overseas branch at Leicester, UK and a Representative Office at Sharjah, UAE, taking the total tally under the branch network to **3257 branches**. The Bank raised **\$350 million** through MTN by issuing senior unsecured bonds to fund overseas business.

### **100% Core Banking Solution**

**All branches of the Bank are brought under Core Banking Solution** (CBS). With 100% CBS, the Bank offers technology banking, such as, Internet Banking and Funds Transfer through NEFT and RTGS across all branches. With 2216 ATMs, the Bank's debit card base rose further to 59.69 lakhs.

### **Expanded Basket of New Tech Products**

The Bank has further enhanced its basket of new tech-products for customer convenience like **Canara Gift Cards, Canara Campus Card, Canara Platinum Card, Bills Desk for utility bills payment, Cash withdrawal at Point of Sale (PoS) machines at Merchant Establishments, VISA money transfer and the ASBA** (Application Supported by Blocked Amount) facility during FY11.

## Goals for FY12

- The Bank aims to reach an **aggregate business** figure of ` **6.25 lakh crore**, comprising total deposits of ` 3.55 lakh crore and advances of ` 2.70 lakh crore.
- Added thrust on **Retail Business**, especially retail deposits and retail advances during FY12.
- Expanding the delivery channels, the Bank plans
  - To open 250 branches.
  - To take ATM strength from 2216 to 4000 by March 2012.
- Expanding global footprints, the Bank plans to open branches in **Manama, QFC-Qatar, South Africa, Germany, the USA, Brazil, Tanzania and Representative Office in Tokyo, Japan**.
- Surveys to open branches in **Sri Lanka, Nigeria and Kenya** completed. □□□