

PRESS RELEASE

**Global Business Crosses ₹5.59 lakh crore
Net Profit for FY12 at ₹3283 crore**

Major Highlights – Q4FY12

- ⇒ Global business moved to ₹559544 crore
- ⇒ Global Deposits reached ₹327054 crore, up by 11%
- ⇒ Global Advances (net) reached ₹232490 crore, up by 10%
- ⇒ Net Interest Margin (NIM) at 2.50% and Domestic NIM at 2.61%.
- ⇒ Return on Assets (RoA) at 0.96%
- ⇒ Strong Capital Adequacy Ratio at 13.76%. Tier I Capital Ratio at 10.35%
- ⇒ Improved Gross NPA ratio at 1.73% (1.81% Dec'11) and Net NPA ratio at 1.46% (1.49% Dec'11)
- ⇒ Record Cash Recovery at ₹3295 crore for FY12 compared to ₹2032 crore during FY11
- ⇒ 343 branches and 642 ATMs added during the year
- ⇒ Board of Directors declared a Dividend of 110% for FY12

Profits and Profitability – Q4 FY12

- While Net profit for the quarter was at ₹829 crore, operating profit was at ₹1491 crore
- Provision Coverage Ratio stood at 67.6%.
- Total provision made for the quarter was at ₹662 crore, including ₹390 crore provision made for NPAs.
- A Dividend of 110% is declared by the Board of Directors compared to 110% a year ago.
- **Return on Assets** for the quarter stood at 0.96%.
- While **Earnings per Share (EPS)** for the quarter was at ₹18.72, **Book Value** rose to ₹431.26 compared to ₹359.25 as at March 2011.

Income and Expenses for the Q4 FY12

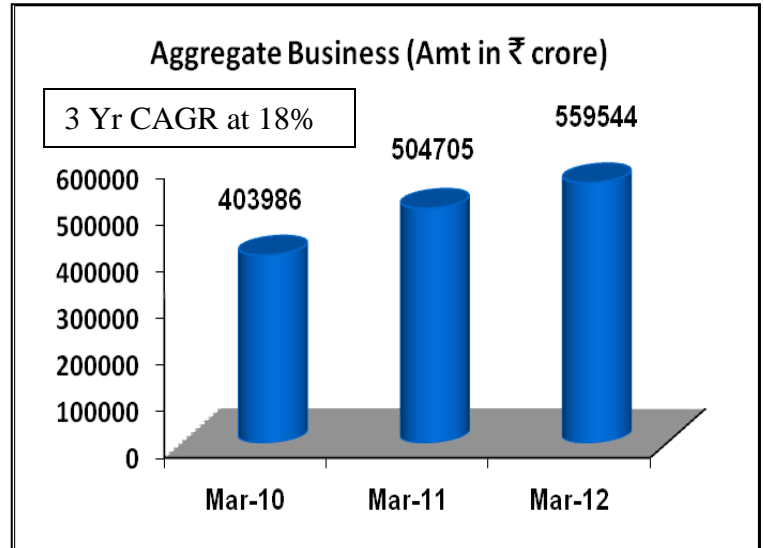
- The Bank's **total income** for Q4FY12 grew by 23% to reach ₹9037 crore, aided by a 28.3% growth in income from loans/advances.
- **Non-interest income** for the quarter stood at ₹769 crore.
- While increase in **total expenses** was **33.4%**, increase in **operating expenses** was lower at **8.9%**.
- **Net interest income** for the quarter was ₹2040 crore and **Net Interest Margin (NIM)** was at 2.50%. **Domestic NIM** was higher at 2.61%.

FY12 Performance

- **Net Profit** for FY12 was at ₹3283 crore and **Operating Profit** was at ₹5943 crore.
- **Total income** for the FY12 rose by 31% to ₹33778 crore and income from loans/advances grew by 37.5% to ₹23443 crore.
- The Bank's **non-interest income** during the year rose to ₹2928 crore.
- **Total expenses** increased by 41.6% to ₹27835 crore and operating expenses increased by 5.8%.
- **Net Interest Income** for the year was at ₹7689 crore

Business Performance

- **Global business** of the Bank rose to a level of ₹559544 crore as at March 2012, recording a y-o-y growth of 10.9%. During the year, along with slackened business growth and increase in stressed assets at the industry level, the Bank has taken a conscious decision to consolidate its business position and rebalance assets and liabilities so as to improve profitability.
- **Total deposits** increased to ₹327054 crore, with a growth of 11.5%.
- **Advances (net)** grew by 10% to reach ₹232490 crore. **Credit to deposit ratio** stood at 71.09%.



- The Bank's **domestic business** constituted about 96% of the total business.
- The Bank's **CASA deposits** to domestic deposits stood at 25.19%. The Bank's **savings deposits reached** ₹64792 crore as at March 2012.
- During FY12, the Bank had launched nationwide campaigns to mobilize SB deposits. During the campaign period, the Bank has brought in about **24 lakh fresh SB clientele**.
- While **Business per Employee** increased to further ₹13.74 crore, **Business per Branch** improved to ₹155.43 crore as at March 2012.
- The Bank's **clientele base** reached 4.20 crore, comprising 3.75 crore under deposit accounts and 45 lakh under borrowal accounts. 33.5 lakh clientele added during the year.

Capital Adequacy

- The Bank continues to maintain strong capital position among its peers. As at March 2012, **Capital Adequacy Ratio** stood at 13.76%, with a Tier I capital ratio at 10.35%.
- Adequate headroom available under both Tier-I and Tier-II options to raise capital to support business growth momentum.
- The Bank has strong Common Equity Capital to meet the stringent Basel III norms during the current year and onwards.

Asset Quality

- Reflecting tough economic conditions and general increase in bad assets at the industry level, the Bank's **gross NPA ratio** was 1.73% (`4032 crore) compared to the gross NPA ratio of 1.49% (`3137 crore) as at March 2011. **Net NPA ratio** stood at **1.46%** (**`3386 crore**) as at March 2012. The Bank has maintained almost same level of gross NPA compared to December 2011. Both gross and net NPA ratios improved over December 2011 level at 1.81% and 1.49% respectively.
- **Cash recovery** during FY12 aggregated to a record **`3295 crore**, higher than `2032 crore a year ago. The Bank has achieved full migration to system based NPA recognition during the year.

Diversified Credit Portfolio

- Outstanding advances to various **priority segments** reached `67383 crore compared to `62108 crore as at March 2011. Outstanding KCCs issued by the Bank stood at 8.19 lakhs, with a credit outstanding of ₹6328 crore.
- The Bank's advances under **agriculture** portfolio increased by 21.4% to reach `31946 crore, covering over 35 lakh farmers. Credit to direct agriculture reached a level of `27848 crore, recording a healthy growth of 25.7%.
- The Bank has achieved the mandated targets in respect of direct agriculture (13.83% against 13.5% norm), credit to specified minority communities (19.62% against 15% norm), weaker section (11.06% against 10% norm) and agricultural disbursement target of `27000 crore by achieving `27327 crore.
- The Bank's credit to **Micro, Small and Medium Enterprises (MSME)** reached `34893 crore.
- The Bank's **retail lending portfolio** stood at `24782 crore as at March 2012. Outstanding housing loan portfolio at `15808 crore constituted 64% of the total retail lending portfolio.
- The Bank's **education loan portfolio** rose to `3948 crore, with a coverage of over 2.08 lakh students as at March 2012.

A Holistic Approach to Financial Inclusion

- During the year, the Bank has opened 167 new branches at Financial Inclusion villages, which is 48% of the 342 branches opened by the Bank as against RBI stipulation of 25% of new branches required to be opened in tier V and VI centres. All these new branches have mobilized over 4 lakh accounts and ₹405 crore business, with a per branch business of ₹2.43 crore.
- The Bank has opened 30 Ultra Small Branches across the country to provide banking access to population below 2000.
- The Bank has covered all 1618 villages, spread across 23 States, allotted to the Bank under more than 2000 population for providing banking facilities, either through brick and mortar branches or through BCs.

- The Bank has opened 17 lakh No-frill Accounts during FY12, taking the total number of No-frill accounts to **44 lakh since inception**, with an outstanding balance of `820 crore. Under ICT model, the Bank has canvassed 6.5 lakh no-frill accounts through customer service providers engaged by the Bank's business correspondent.
- The Bank issued 2.14 lakh Smart Cards during the year.
- The Bank formed 3.71 lakh **Self Help Groups** as at March 2012, with credit linking of 3.59 lakh SHGs. The Bank has credit linked 38000 SHGs, with a credit exposure of `664 crore.
- Extending credit under financial inclusion, the Bank has so far issued 4.19 lakh **General Credit Cards** (GCCs), amounting to `727 crore.
- The Bank has extended Micro insurance scheme to more than 20,000 customers and is implementing Pilot Micro Pension Scheme in association with NABARD and M/s IIMPS.
- Electronic Benefit Transfer (EBT) has been taken up in 4 districts of Karnataka and in 2 districts of Tamil Nadu, the Bank is participating in a pilot project for transfer of wages under MGNREGA and social security pension.
- The Bank has undertaken AADHAAR enrollments in 8 States, covering 1.95 lakh residents.
- The Bank's 19 micro-finance branches have contributed a total business of ₹150 crore.
- The Bank, under the aegis of Canara Financial Advisory Trust, is managing 26 **Financial Literacy and Credit Counseling Centres** (FLCCs) in the lead districts.
- The Bank has formed 1360 Farmers Clubs and provided **Canara Gramin Vikas Vahini** (Vehicles) in 35 districts for spreading financial awareness among rural households.
- The Bank has installed 29 Biometric ATMs for easy usage by the rural customers.
- On **Founder's Day** on 19th November 2011, the Bank issued 1.06 lakh Smart Cards, 25000 GCCs, Credit linked 5000 SHGs, opened 106 Farmers Clubs and 15 FLCCs.

Enhanced Delivery Channels

During FY12, the Bank further expanded its branch and ATM network. The Bank added record 342 domestic branches and one overseas branch at Manama, Bahrain, taking the total tally under the branch network to **3600**. The Bank, on 19th November 2011, dedicated **106 new branches and 106 new ATMs** to the nation in commemoration of the Bank's Founder's Day and its 106th year of service to the nation. The function was graced by **Shri Pranab Mukherjee, Hon'ble Union Finance Minister**. The Bank added 642 ATMs during the year, taking the total number of ATMs to 2858 as at March 2012. The Bank's debit card base rose further to 71.92 lakh. The Bank introduced Mobile Banking during the year.

New IT Initiatives: Several IT initiatives have been undertaken during the year, which include Funds Transfer through Interbank Mobile Payment Services (IMPS) in ATMs, ASBA facility to net banking users, E-filing of tax returns and facility for viewing details of tax deducted at source, Terminal at 223 branches for customers to use net banking, SMS/e-mail alerts for all transactions done through ATM, net banking, POS, mobile banking, online payments irrespective of amounts, online loan applications and tracking facility, generation of automatic pass sheets through e-mail and automatic renewal of term deposits. Under Government business, the Bank has implemented internet based application for UGC Maulana Azad National Fellowship Scheme, Web portal for national Scheme for Girl Child Secondary Education Scheme, Electronic Accounting Systems of e-Receipts-Customs (EASer-C) for

collection of customs duty and e-payment of commercial taxes module for UP, Karnataka, Delhi and Tamil Nadu.

Subsidiaries/Joint Ventures/Sponsored Entities and Foreign Branches

- Total business of all 3 Regional Rural Banks (RRBs) sponsored by the Bank reached `21486 crore. All 3 RRBs are profit making. For the year ended March 2012, they have posted a profit after tax of `85 crore. All branches of RRBs are covered under CBS and they have implemented funds transfer through NEFT facility.
- All subsidiaries and sponsored entities of the Bank performed better in FY12.
- The Bank has 5 overseas branches one each at London, Leicester, Hong Kong, Manama and Shanghai.
- All foreign branches recorded improved performance during the year.

Awards and Accolades

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

- **National Award - 2011** for excellence in the field of Khadi and Village Industries – Best Bank, South Zone for PMEGP.
- **Corporate Social Responsibility Award** for the year 2010-11 conferred by Institute of Public Enterprises and Subir Raha Centre for Corporate Governance, Hyderabad.
- The prestigious '**SKOCH Award**' for outstanding progress under financial inclusion.
- **NABARD's Best Performance Award**, 2010-11, for SHG credit linkage and **Best Performing Farmers' Club Award** of NABARD, 2010-11, in Karnataka.
- **Indira Gandhi Rajbhasha Puskar Yojna-2009-10** -Encouragement Prize.

Goals for FY13

- The Bank aims to reach an **aggregate business** figure of **`6.50 lakh crore**, comprising total deposits of ` 3.75 lakh crore and advances of ` 2.75 lakh crore.
- Thrust on **Retail Business**, especially retail deposits and retail advances.
- Expanding the **delivery channels**, the Bank plans
 - To open 325 branches.
 - To take ATM strength to 4000.
- Thrust on **technology and business process reengineering** to enhance business.
- The Project on **Enterprise-wide Data Warehousing and Business Analytics** has been initiated.
- Expanding global footprints, the Bank plans to open branches/ offices in **Johannesburg, Qatar, Frankfurt, New York and Tokyo**.
