



PERFORMANCE HIGHLIGHTS

June 2010

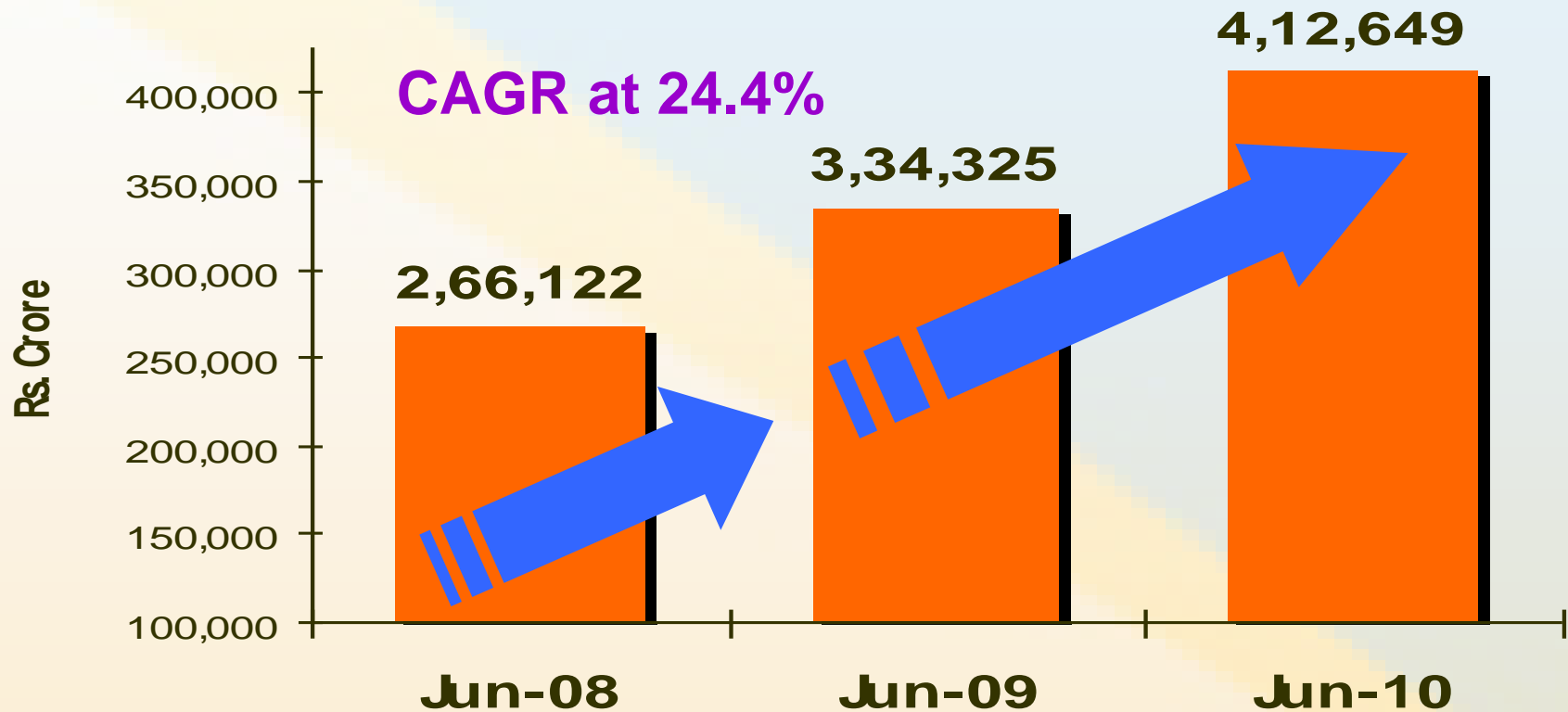
Major Highlights

- **Riding on High Growth Trajectory- Consistent Growth in Business and Profit**
- **Return on Assets at 1.55%**
- **NIM crosses the 3% mark ...at 3.01%**
- **Both Gross NPA and Net NPA in absolute and ratio terms have come down compared to March 2010, net NPA at 1%**

Major Highlights

- **Recovery and Upgradation together overshoot Slippages**
- **CBS coverage increased to 2681 branches as on 16th July 2010, accounting for 96% of total business**
- **All branches will be under CBS before 31st July 2010**

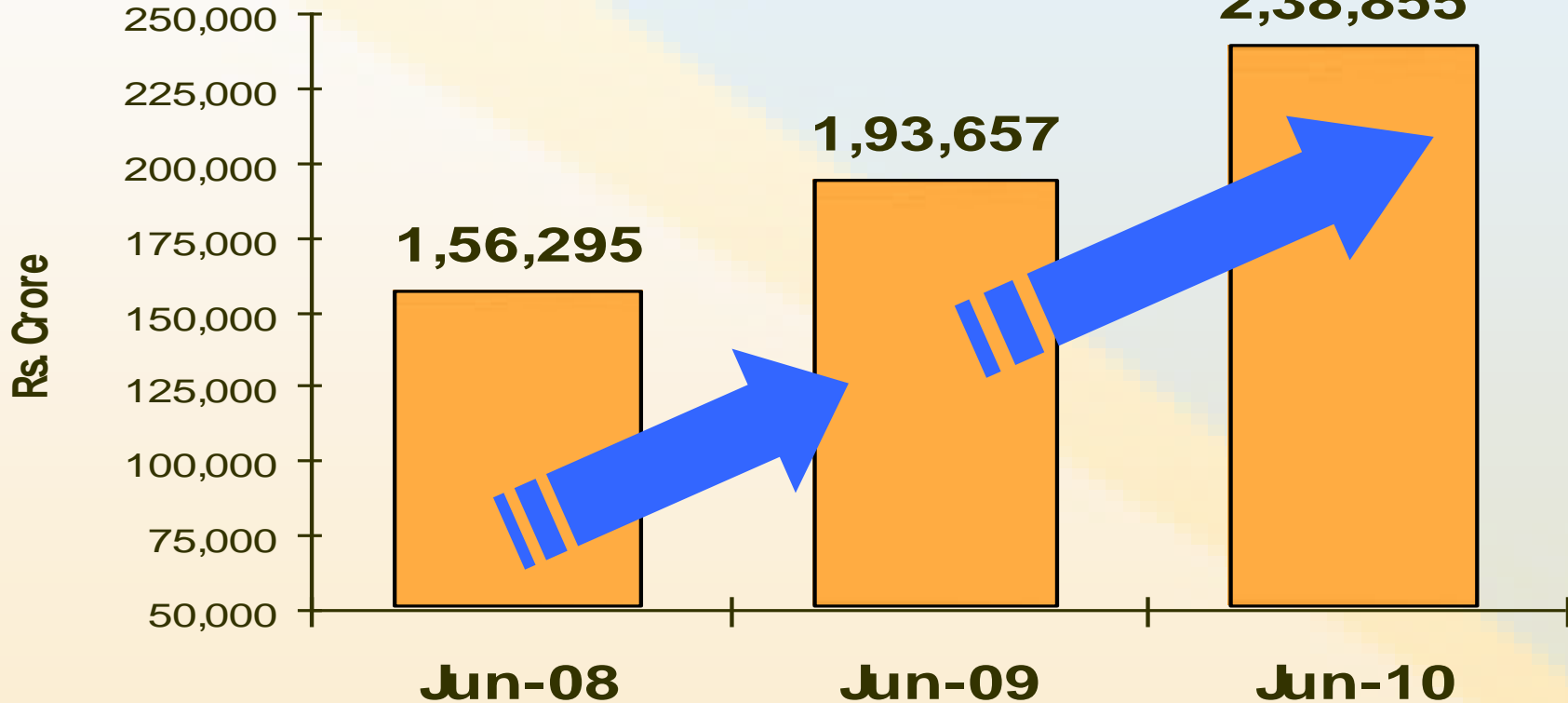
TOTAL BUSINESS



**Total Business added Rs.78324 Crore Y.o.Y
55% Growth in 2 Years**

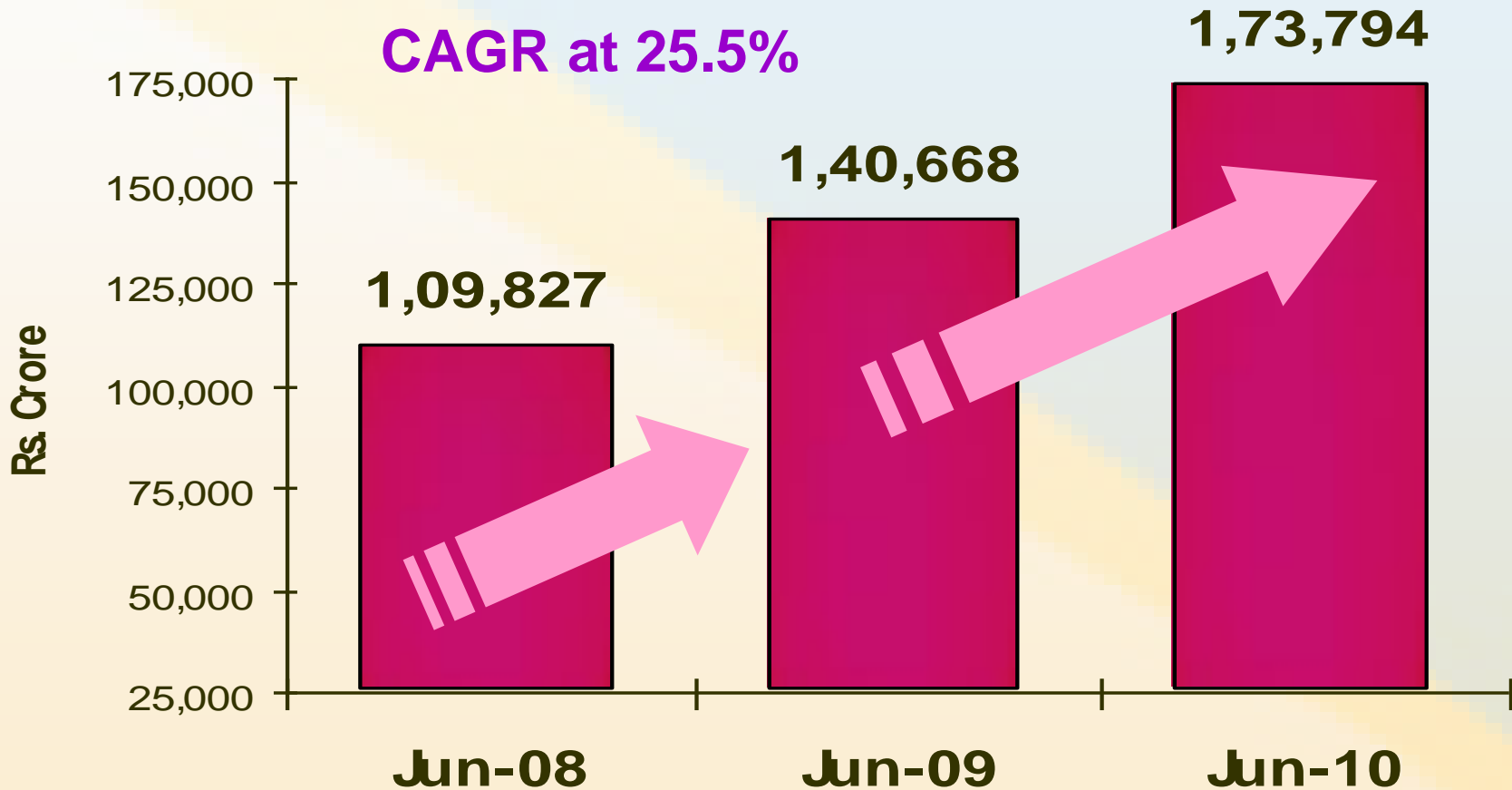
TOTAL DEPOSITS

CAGR at 23.7%



53% Growth in 2 Years

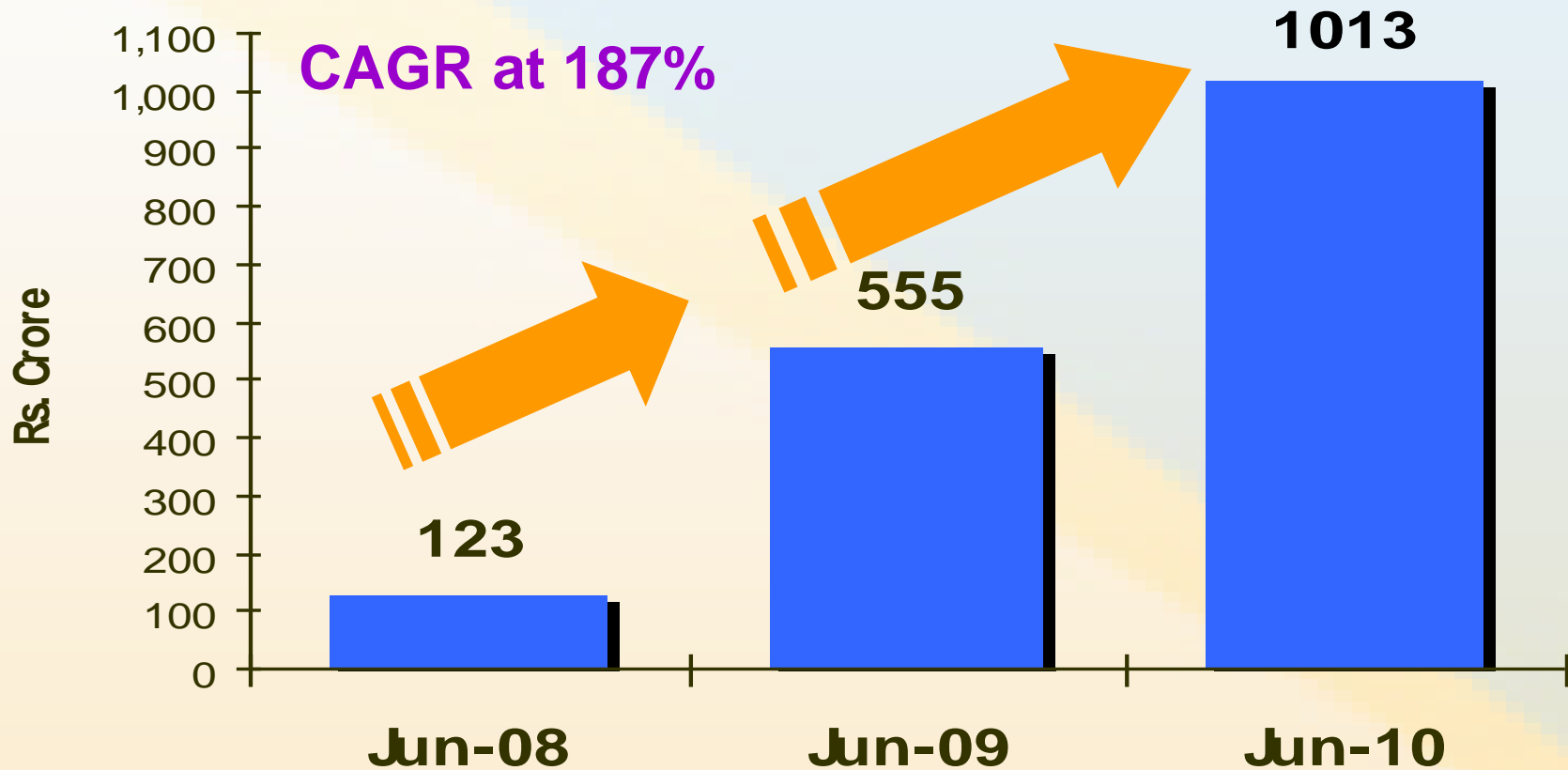
NET ADVANCES



58% Growth in 2 Years

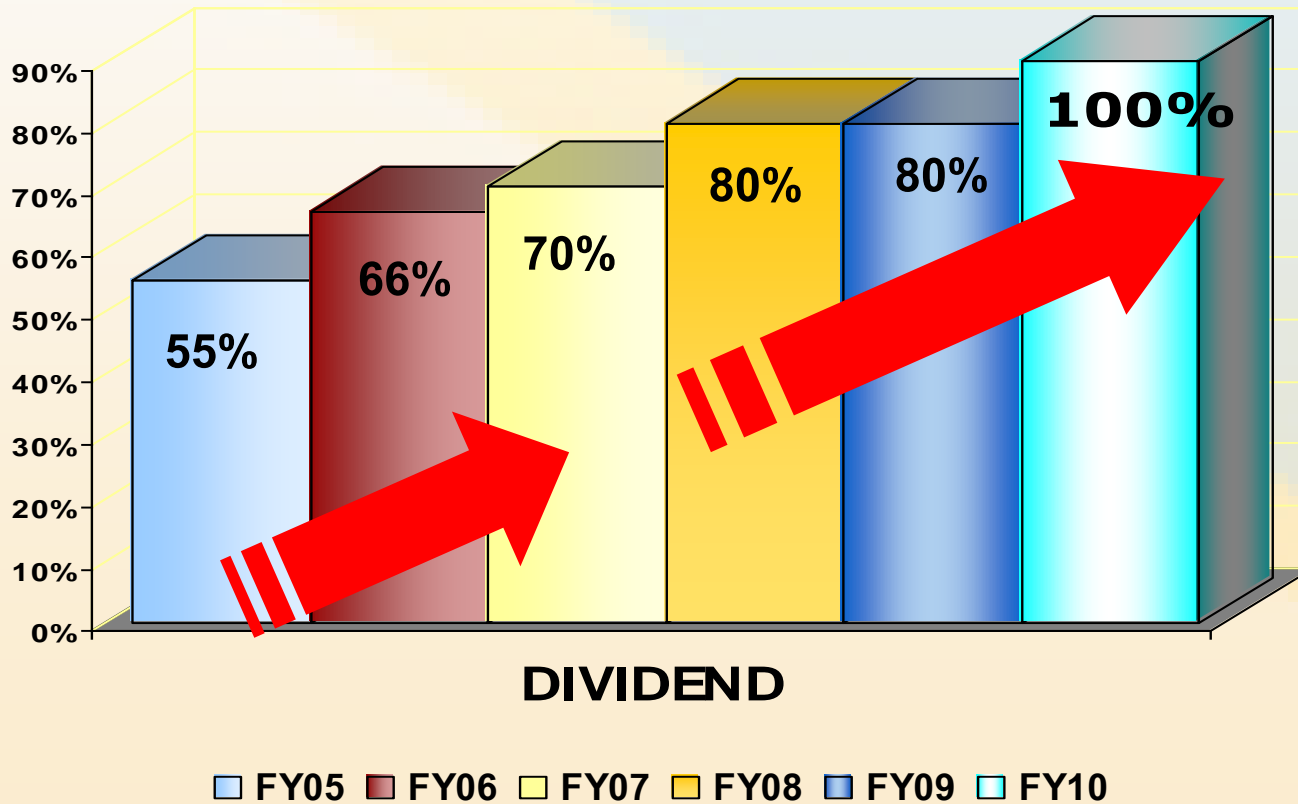
CONSISTENT PROFIT GROWTH

NET PROFIT



Over Rs.1000 Cr Net Profit in a Single Quarter

Dividend ... Progressive Return for the Shareholders



PERFORMANCE HIGHLIGHTS

June 2008 – June 2010

(Amt. in Rs. Crore)

	Jun'2010	Jun'2009	Jun'2008	% Gr Jun'10 over Jun'08
Net Profit	1013	555	123	723.6%
Operating Profit	1483	921	704	110.7%
Net Interest Income	1728	1291	1019	69.6%
Total Business	412649	334325	266122	55.1%
Total Deposits	238855	193657	156295	52.8%
Net Advances	173794	140668	109827	58.2%

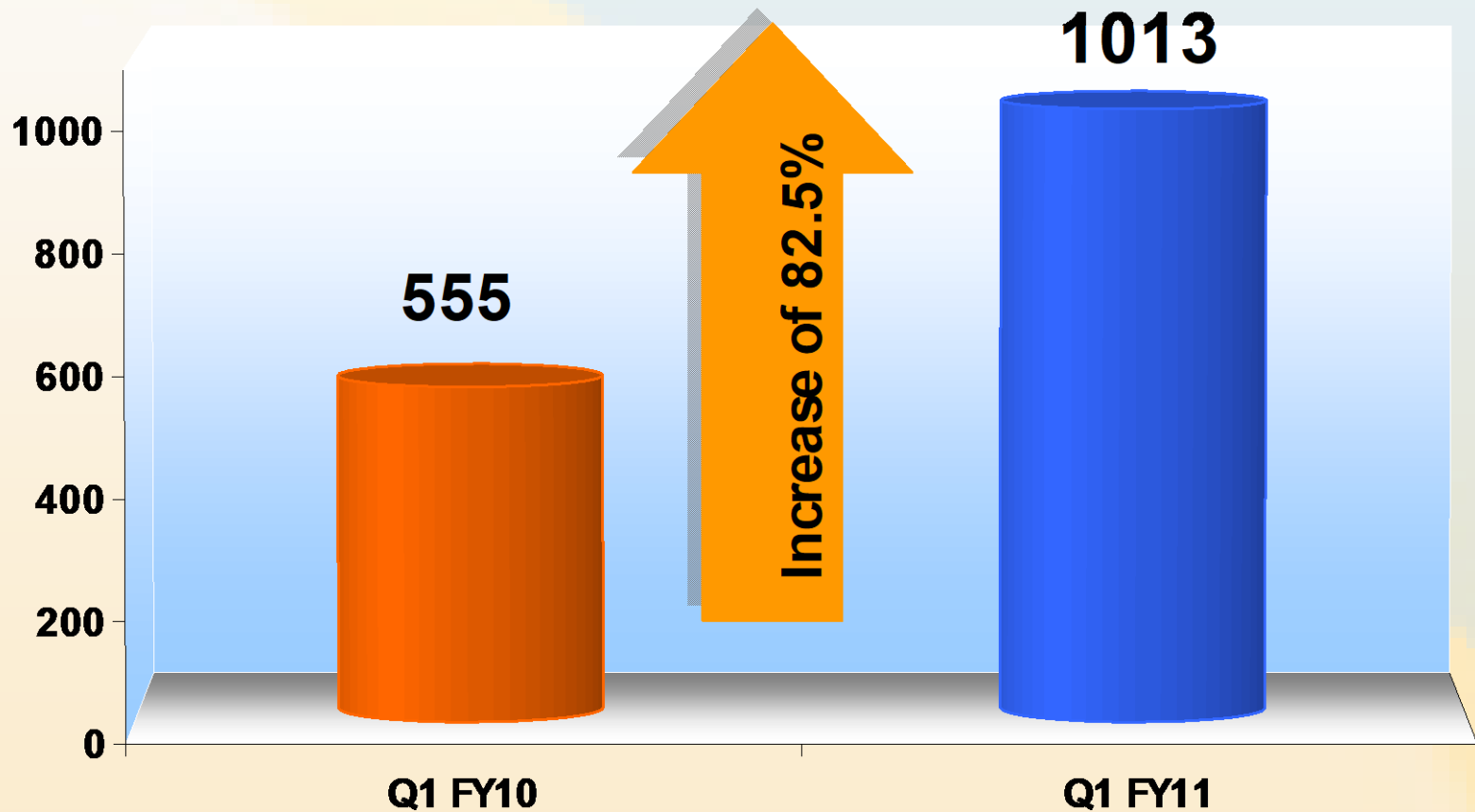


KEY PROFITABILITY RATIO: LAST 3 YEARS

	Jun' 2010	Jun' 2009	Jun' 2008
NIM (%)	3.01	2.70	2.57
RoAA (%)	1.55	1.02	0.27
Capital Adequacy Ratio (%)	12.44	13.59	12.66
Cost of Deposits (%)	5.69	6.48	6.36
Yield on Advances (%)	9.35	10.05	10.06

ROBUST PROFIT GROWTH

Net Profit
(Rs. in Crore)



INCOME GROWTH: Q1 FY 11

Amt. in Rs. Crore

	<u>Jun'10</u>	<u>Jun'09</u>	<u>Growth</u>
Total Income	5895	5032	17.1%
Interest Income	5161	4558	13.2%
Interest from Loans/Adv	3794	3425	10.8%
Non Interest Income	734	474	55.0%

Robust Growth of 55% in Non-Interest Income

EXPENDITURE GROWTH: Q1 FY 11

Amt. in Rs. Crore

	<u>Jun'10</u>	<u>Jun'09</u>	<u>Growth</u>
Total Expenditure	4412	4111	7.3%
Interest Expenditure	3433	3267	5.1%
Operating Expenses	978	844	15.9%
Cost-Income Ratio (%)	39.75	47.80	-805bps

**Favourable Cost-Income Ratio
Below Benchmark Level**

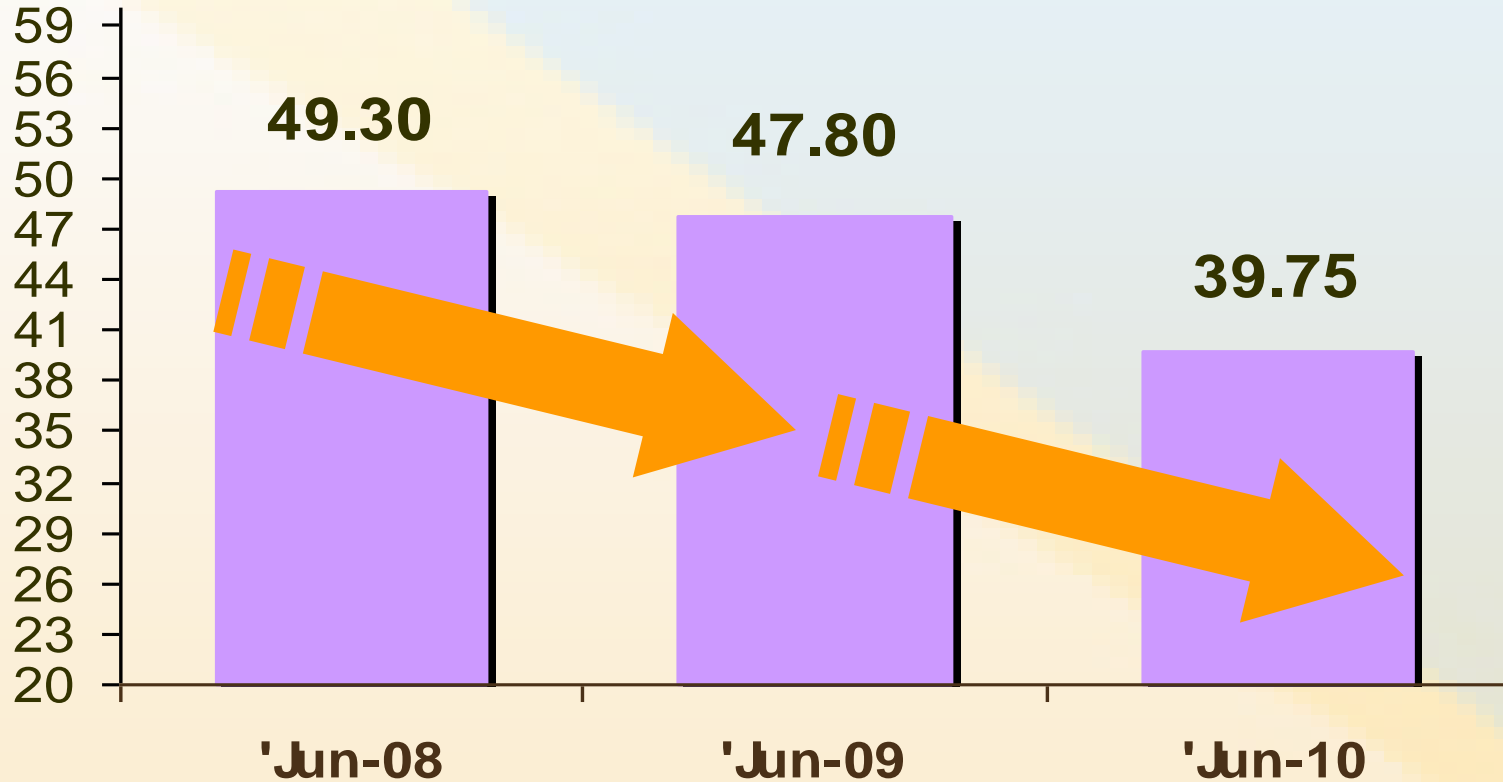
NET INTEREST INCOME : Q1 FY 11

Amt. in Rs. Crore

	<u>Jun'10</u>	<u>Jun'09</u>
Net Interest Income	1728	1291
Y-o-Y Growth	33.8%	26.7%
<i>Net Interest Margin (%)</i>	3.01	2.70

ROBUST GROWTH IN NET INTEREST INCOME
SIGNIFICANT JUMP IN NIM BY 31 bps

DECLINE IN COST-INCOME RATIO (%)



PROFIT GROWTH : Q1 FY11

Amt. in Rs. Crore

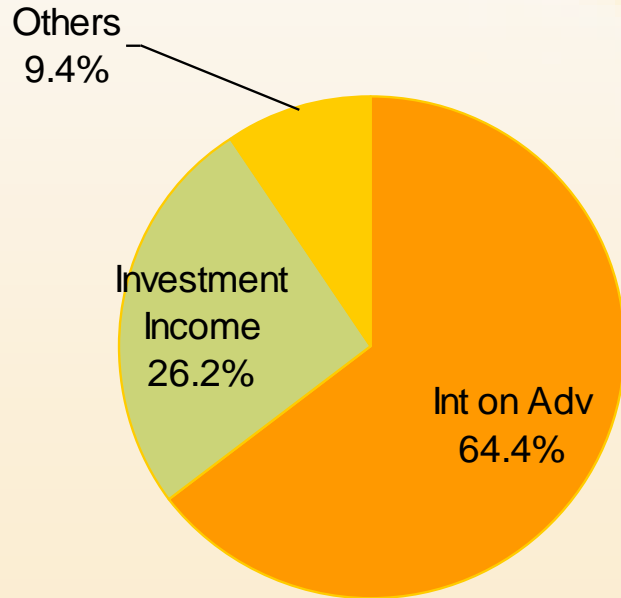
	<u>Jun'10</u>	<u>Jun'09</u>
Operating Profit	1483	921
<i>Growth</i>	61.0%	31.0%
Provisions	470	366
Net Profit	1013	555
<i>Growth</i>	82.5%	
RoAA (%)	1.55%	1.02
EPS (Rs.) (<i>Not Annualized</i>)	24.72	13.54

Buoyant Bottomline and Healthy Profitability Ratios

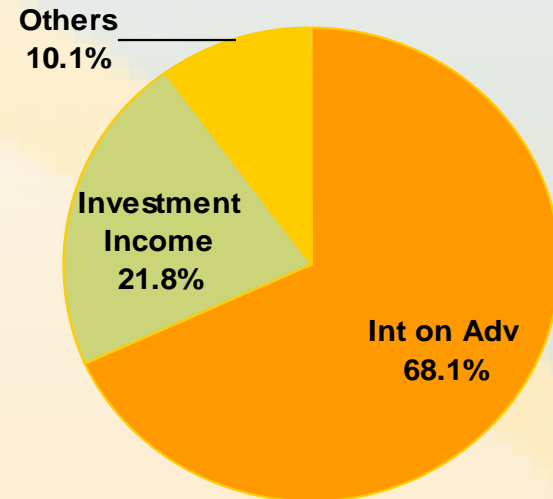
MAJOR COMPONENTS OF INCOME

- Interest Income continues to drive growth in income
...over 2/3rd of earnings from interest on advances/loans
- Robust growth under Non-Interest Income

Q1 FY11 (Jun'10)



Q1 FY 10 (Jun'09)



BREAK-UP OF OTHER INCOME

Amt. in Rs. Crore

	Jun'10	Jun'09
Total Other Income	733.97	473.57
Commission & Exchange	163.78	172.09
Profit from Exchange Trans	74.35	51.23
Trading Profit	223.95	28.16
Dividend Income	35.38	13.81
Recovery in w/off A/cs	88.00	79.08
Other Misc. Income	148.51	129.20

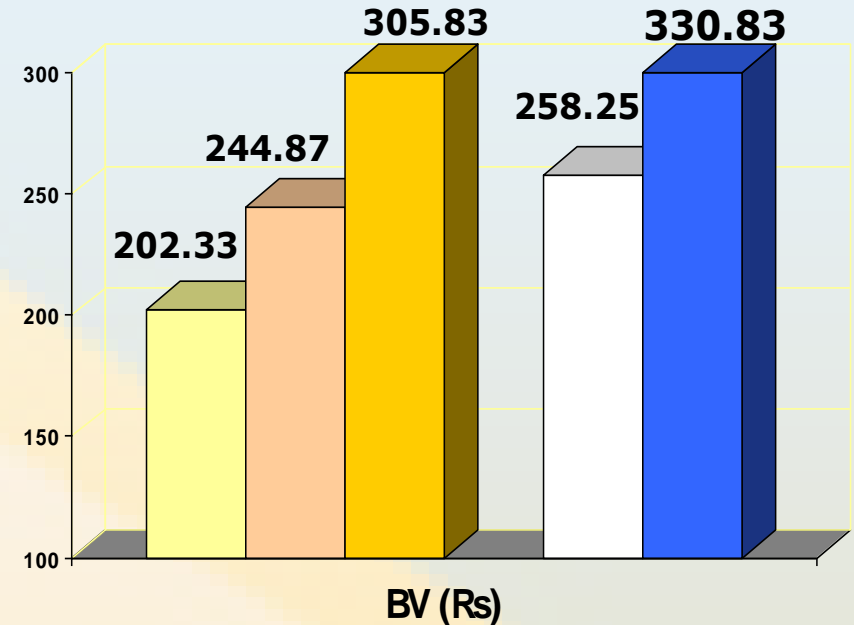
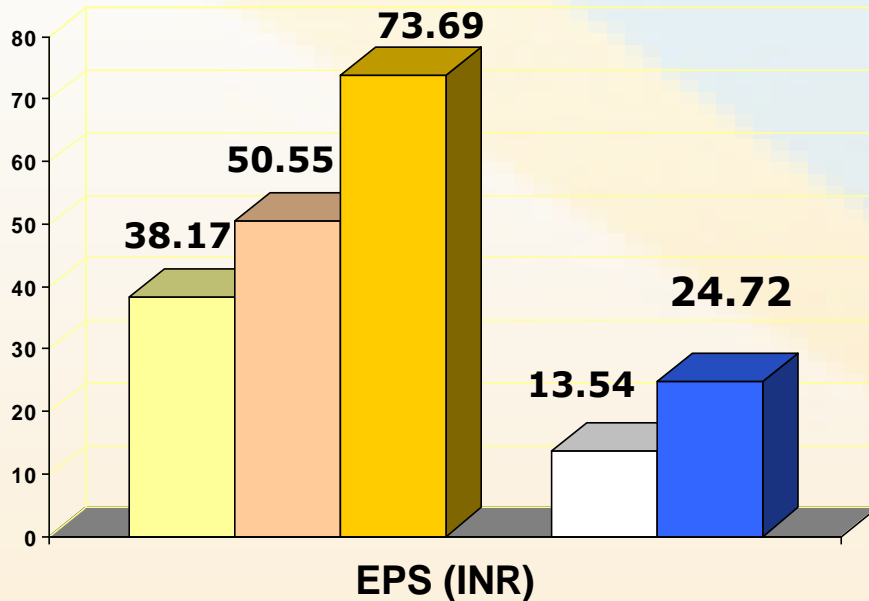
MEASURES TO AUGMENT NON INTEREST INCOME

- Increased thrust on Fee Income
- Broadbasing of Fee Income sources
 - ✓ Cross Selling of Insurance
 - ✓ Mutual Fund Products
 - ✓ On-line Trading Services
 - ✓ Other Traditional Services- LCs, Guarantees, DDs and others.

CANARA ROBECO



EARNINGS PROFILE



■ Mar-08 ■ Mar-09 ■ Mar-10 ■ Jun-09 ■ Jun-10

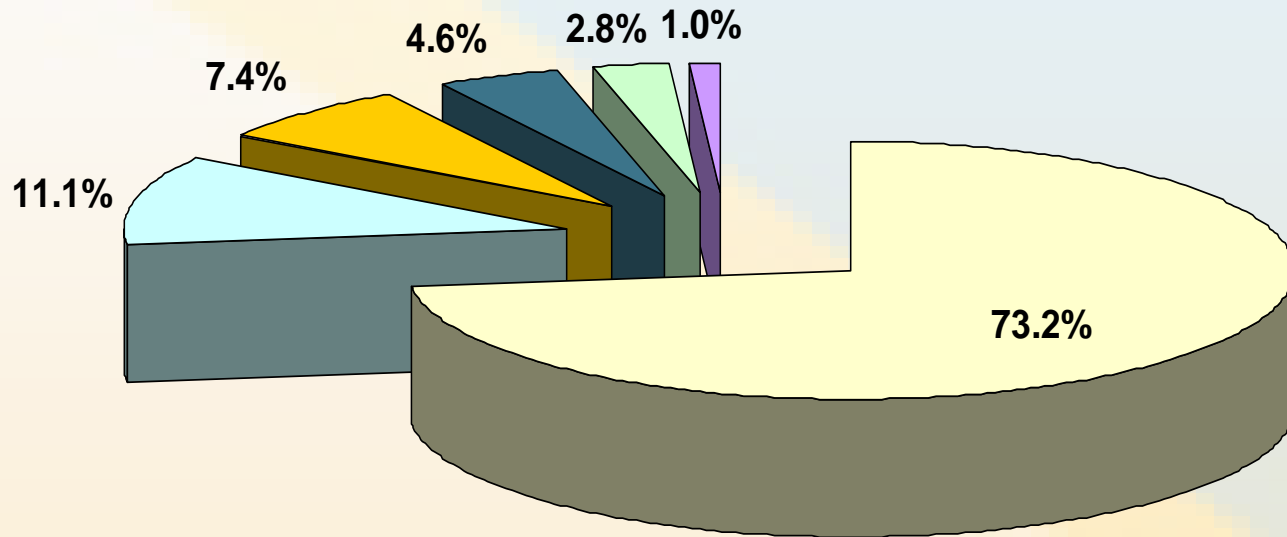
■ Mar-08 ■ Mar-09 ■ Mar-10 ■ Jun-09 ■ Jun-10

- The Bank continued to sustain high levels of earnings. Book Value and Earnings Per Share show consistent rise, year on year

EPS for June Quarters (Not Annualized)

SHARE HOLDING PATTERN

As on June 30, 2010



□ Govt of India □ FIIs □ Insurance Companies □ Resident Individuals □ MFs □ Others

BUSINESS PROFILE

Amt. in Rs. Crore

	<u>Jun'10</u>	<u>Jun'09</u>	<u>Y-o-Y Gr</u>
Aggregate Business	412649	334325	23.4%
Total Deposits	238855	193657	23.3%
Net Advances	173794	140668	23.6%
CD Ratio (%)	72.76	72.64	

Business Growth of Rs.78324 Crore
Domestic Business Constituted 96.6%

CASA DEPOSITS GROWTH

Amt. in Rs.

	<u>Jun'10</u>	<u>Jun'09</u>	<u>Y-o-Y Gr</u>
CASA Deposits	69350	53854	28.8
Savings Deposits	53565	41756	28.3
CASA per branch	22.66	19.66	
Deposits Clientele (Mn)	33.03	31.07	1.96 Mn

29% GROWTH IN CASA
Highest CASA per Branch among Peers

CREDIT FOCUS

Amt. in Rs. Crore

	<u>Jun'10</u>	<u>Jun'09</u>	<u>Y-o-Y Gr</u>
Priority Sector Credit	57621	50242	14.7%
Retail Lending	23703	19819	19.6%
Housing	10101	7975	26.7%
Infrastructure Advances	40173	21027	91.1%
Adv Clientele (Mn)	4.46	4.33	

Well Diversified Credit Portfolio
Focus on Productive Sectors

PRIORITY SECTOR

Amt. in Rs. Crore

	<u>Jun'10</u>	<u>Jun'09</u>	<u>Y-o-Y Gr</u>
Priority Credit O/s	57621	50242	14.7%
Agriculture Adv O/s	23128	20677	11.9%
MSME Advances O/s	31597	23675	33.5%



PIONEERING EDUCATION LOAN

- Education Loans up by 24.7% y.o.y
- Outstanding Education Loans as at Jun '10 Rs.2,976 crore
- The portfolio covers over 1.71 lakhs students
- On-line Education Loan application in web portal

**Number ONE amongst Nationalised Banks
In Outstanding Education Loans**



- Mobilised over 75,000 No-frill Accounts during Q1
Cumulative No-frill Accounts 22.54 lakhs
- Achieved Total Financial Inclusion
in all the 26 Lead Districts
- Sanctioned over 2 lakhs **General Credit Cards** since inception
- 9 Exclusive **Micro-Finance Branches** across India to help Urban Poor
- Cumulative **SHG Tally** up at 3.26 Lakhs .. Credit Linked 2.82 Lakhs

PROFITABILITY RATIOS

(In %)

	Jun'10	<u>Jun'09</u>
Cost of Deposits	5.69	6.48
Yield on Advances	9.35	10.05

79 bps Decline in Cost of Deposits

PRODUCTIVITY RATIOS

	<u>Jun'10</u>	<u>Jun09</u>
Business per Employee (Rs. Crore)	10.17	8.10
Business per Branch (Rs. Crore)	134.81	122.06
Gross Profit per Employee (Rs. Lakh)	14.63	8.92
Net Profit per Employee (Rs. Lakh)	9.99	5.38

JUMP IN BUSINESS PER EMPLOYEE
Highest Per Branch Business among Peers

INVESTMENT PORTFOLIO

Amt. in Rs. Crore

	<u>Jun'10</u>	<u>Jun'09</u>
Net Investments (Domestic)	71354	59255
	57309	38121
Held to Maturity	(80.3%)	(64.3%)
	13642	20784
Available for Sale	(19.1%)	(35.1%)
	403	351
Held for Trading	(0.6%)	(0.6%)

Figures in the brackets are percentage shares in total

ASSET QUALITY

	<u>Jun'10</u>	<u>Jun' 09</u>
Gross NPA (Rs. Crore)	2549	2463
Gross NPA Ratio (%)	1.46	1.74
Net NPA (Rs. Crore)	1729	1812
Net NPA Ratio (%)	1.00	1.29

Provision Coverage Ratio at 78.01%



- CRAR of 12.44% at Jun'10

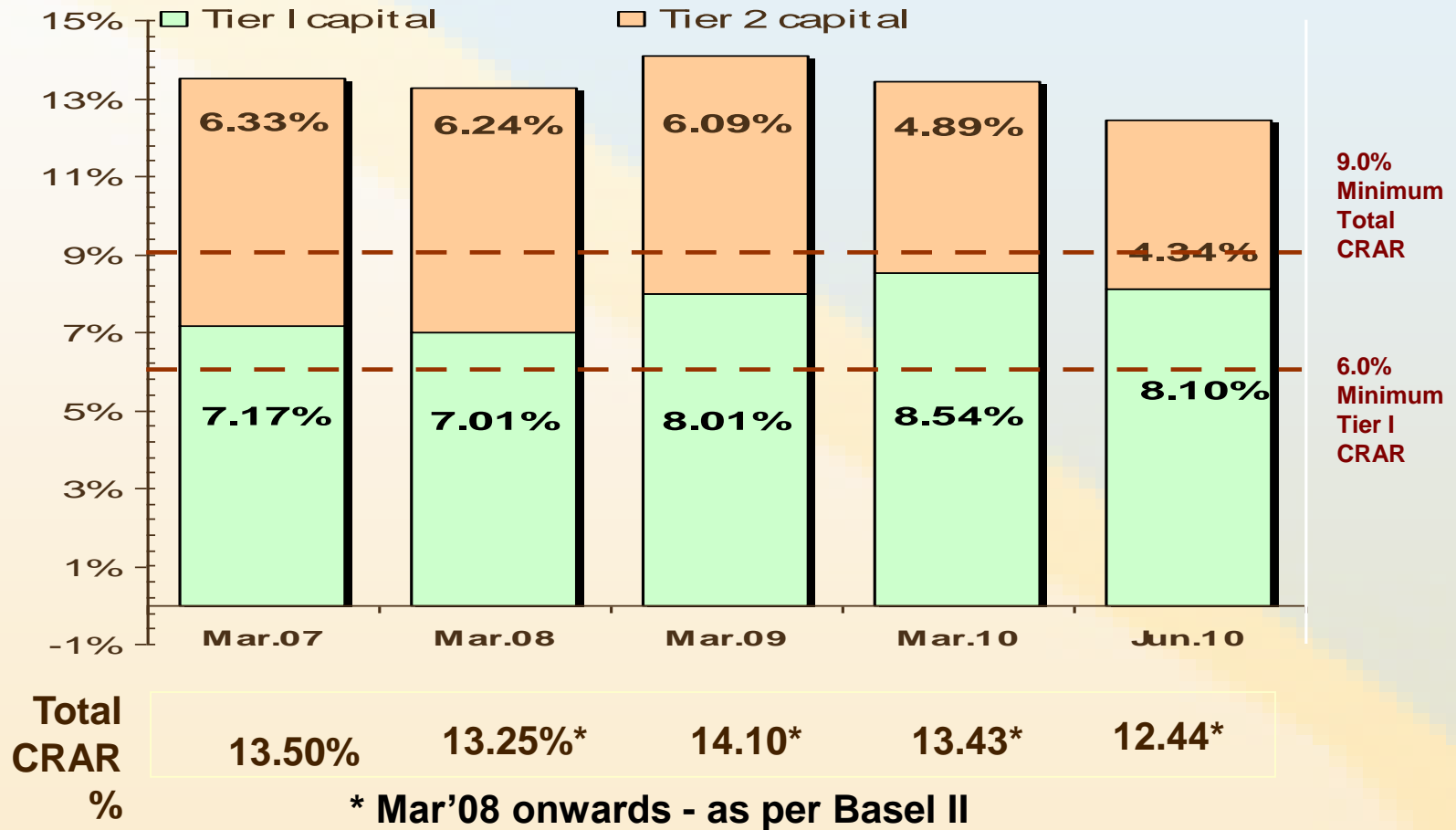
...well above the regulatory minimum of 9%

- Medium Term Objective .. CRAR of above 12%

**...still undiluted 73.17% GoI Holding in the
Bank**

Adequate Headroom for Capital Augmentation

CAPITAL ADEQUACY – Basel II



EXPANDING THE REACH

	<u>Jun'10</u>	<u>Jun'09</u>	<u>Y-o-Y Incr</u>
Branch Network	3061	2739	322
ATM Strength	2017	2019	
Card Base (In Lakh)	55.50	48.10	7.40

Strategic Initiatives

- Focus on Expanding Domestic Branch Network
- **Addition of 15 branches** during FY11
- Opened a branch at Leicester and Representative Office at Sharjah



**C&MD Shri A.C Mahajan inaugurated the Branch on
12.04.2010**

in presence of Lord Mayor of Leicester.



REPRESENTATIVE OFFICE AT SHARJAH, UAE



**C&MD Shri A.C Mahajan inaugurated the Rep Office at Sharjah on
20.06.2010**

in the presence of His Excellency Shri M.K Lokesh, Indian Ambassador to

EXPANDED CLIENTELE BASE

	<u>Jun'10</u>	<u>Jun'09</u>	<u>Y-o-Y Incr</u>
Clientele Base in Mn	37.49	35.40	2.09
- No of Deposit a/cs (Mn)	33.03	31.07	1.96
- No of Borrowal a/cs (Mn)	4.46	4.33	

Over 37 million strong and growing clientele base
20 lakh Deposit Accounts Added

INFOTECH PROGRESS

	<u>16 July '10</u>	<u>Jun '09</u>
Core Banking Branches	2681	1058
Anywhere Banking Branches	2091	2078
Internet & Mobile Banking Branches	2681	1362
NEFT and RTGS	All Branches	

96% Business under Core Banking Solution

100% CBS before 31st July 2010



Canara Bank No. 1 Bank in Karnataka.

Your trust and loyalty has helped us
achieve this top position!

136 Branches,
189 ATMs in
Bangalore City.

More than 600 branches
Over 400 ATMs
8 Million customers

Come. Bank with Karnataka's most preferred bank - Canara Bank.



FUTURE PLANS

- Aiming at a Total Business of Rs.5,00,000 crore by Mar'11
 - ... Rs.2,85,000 crore under Deposits
 - ... Rs.2,15,000 crore under Advances
- Over 200 new branches to be opened during the year
- Continued focus on Core Business Growth and Strong Fundamentals
- Cover all branches under CBS before 31st July 2010
- Plans to Open Branches at *Manama and QFC-Qatar*



THANK YOU