

PRESS RELEASE- FINANCIAL RESULTS- DECEMBER 2016
HEAD OFFICE, BENGALURU
20th January, 2017

Major Highlights

- Net profit for Q3 FY17 rose to ₹322 crore, up by 279% y.o.y.
- Gross profit increased to ₹1981 crore, up by 27.63% y.o.y.
- Total expenditure declined by 3.81% y.o.y.
- Interest expenses, including interest paid on deposits declined by 9.03% y.o.y.
- Cost of deposits came down to 6.31% from 7.01% last year.
- CASA Deposits increased to ₹1.54 lakh crore, up by 30.12% y.o.y.
- CASA share (domestic) improved to 32.12% from 25.71% last year.
- Non-Interest Income grew by 53.32% to ₹1792 crore.
- % share of non-interest income in total income improved to 14.83 %, up from 9.70% a year ago.
- Gross NPA Ratio marginally up at 9.97 % from 9.81% at September 2016.
- Net NPA ratio at 6.72% compared to 6.69% as at September 2016.
- Cash Recovery during the quarter at ₹1021 crore taking the cumulative figure to ₹2979 crore for the nine months.
- Provision Coverage ratio at 52.52 %, up from 51.75% in September 2016.
- Net Interest Margin (NIM) (Domestic) at 2.34% and NIM (Global) at 2.19%.
- ROA improved to 0.22% and ROE improved to 4.58%.
- Capital adequacy ratio improved to 12.28%, up from 11.54% a year ago.
- Global Business reached ₹8.42 lakh crore comprising global deposits of ₹5.10 lakh crore and net advances of ₹3.32 lakh crore.
- Sustained growth in retail assets (y.o.y)- Agriculture (9.83%), MSME (6.34%), Retail Lending (13.47%), Direct Housing (16.11%), Vehicle (14.98%), Education (14.85%) and Other Personal loans (13.33%).
- Total number of branches at 5972 and Number of ATMs at 10394.
- 40.31 lakhs Mobile Banking and 27.08 lakhs Net Banking users.

Income, Expenditure & Profit- Q3 FY17

- Total income stood at ₹12079 crore.
- Non-interest income increased to ₹1792 crore, with robust growth of 53.32% y.o.y.
- Total expenditure declined by 3.81% to ₹10098 crore.
- Operating expenses of the Bank stood at ₹2224 crore.
- Gross profit at ₹1981 crore, increased by 27.63% y.o.y
- Total provision made in Q3 FY17 at ₹1659 crore compared to ₹1467crore in Q3 FY16.
- The provision for NPAs at ₹1487 crore against ₹1432 crore in Q3FY16.

Nine months (9M) FY17 Performance

- Operating profit increased to ₹5941 crore with a y.o.y growth of 8.02%.
- Net Profit for nine months FY17 aggregated to ₹908 crore.
- Total income stood at ₹36053 crore, including ₹ 22365 crore income from loans/advances.
- Total Expenses declined by 3.74 % to ₹30112 crore.
- Non-interest income for the nine months ended increased by 47.71% to ₹5158 crore.

Business Performance

- Global Business reached ₹ 841964 crore.
- Global Deposits reached ₹ 510327 crore.
- Global Advances (Net) stood at ₹331636 crore.
- Overseas business constituted 7.26 % of the total business. Total business of 8 overseas branches stood at ₹61111crore.
- Clientele accounts increased to 7.63 crore from 7.10 crore last year.

Deposit Portfolio- Thrust on CASA & Retail Deposits

- CASA deposits increased to ₹153704 crore, with a y.o.y growth of 30.12%.
- CASA share (domestic) improved to 32.12% from 25.71% a year ago.
- Retail term deposits increased to ₹197560 crore with a y.o.y growth of 19.08%.
- Share of retail term deposits in term deposits increased to 62.30% compared to 51.41% last year.

Credit Portfolio- Thrust on Retail Assets

- Retail Assets (Agriculture, MSMEs, Housing & Other Retail Schemes) constitutes 59.36% of the Bank's total credit portfolio, increased from 54.16% a year ago.
- Advances to Priority Sector increased to ₹153632crore, with 7.70% y.o.y growth.
- Advances to Agriculture grew by 9.83% y.o.y to ₹71457 crore.
- Credit to Micro, Small and Medium Enterprises (MSMEs) recorded a y.o.y growth of 6.34% to ₹70442 crore.
- Credit to M&SE segments reached ₹50518 crore. The number of Micro Enterprises Accounts recorded a growth of 8.72%.
- 27.72 lakh women beneficiaries assisted to the tune of ₹43705 crore.
- Achieved the mandated targets in respect of Total Priority (48.06% against 40% ANBC norm), Agriculture (21.39% against 18% ANBC norm), credit to specified minority communities (17.39% against 15% norm) and weaker sections (14.53% against 10% ANBC norm). Credit to women beneficiaries (14.18% against 5% norm).
- Retail Lending Portfolio increased to ₹54975 crore, with a y-o-y growth of 13.47%.
- Housing Loan (Direct) Portfolio increased to ₹22415 crore, with a y-o-y growth of 16.11%.
- Vehicle loans and other personal loans recorded good growth of 14.98% (₹4748 crore) and 13.34% (₹13204 crore) respectively.
- Education Loan Portfolio increased to ₹7517 crore, with a y.o.y growth of 14.85%, covering over 2.99 lakh students.

Capital Adequacy

- Capital Adequacy Ratio as per Basel III norms improved to 12.28%, up from 11.54% a year ago, with CET 1 ratio at 8.11% & Tier I ratio at 9.01%.
- Government shareholding is at 66.30%.
- Comfortable capital position for assets growth.

Asset Quality

- Net NPA ratio at 6.72% compared to 6.69 as at September 2016.
- Gross NPA ratio moderately increased to 9.97% from 9.81% as on September 2016
- Cash Recovery during the quarter at ₹1021 crore taking the cumulative figure to ₹2979 crore for the nine months.
- Outstanding restructured portfolio at ₹22276 crore, constituted 6.46 % of gross advances.

Pradhan Mantri Jan Dhan Yojana (PMJDY)

- 62.72 lakhs accounts opened under PMJDY, securing CASA deposits of ₹2143 crore.
- 3.98 lakh PMJDY account holders have been provided with **overdraft facility**, amounting to ₹67.61 crore.
- 71 Financial Literacy Centres (FLCs) opened at District/Block levels, educating 10.76 lakh persons.
- 172 lakh residents have been enrolled under Aadhaar.
- 205.38 lakh accounts were Aadhaar seeded, of which 38.45 lakh accounts under PMJDY accounts.
- As a part of **grievances redressal mechanism** for customers, the Bank established Toll free number 1800 425 11222.

Social Security Schemes

- 63.47 lakhs enrolments have been done under both Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY- 18.38 lakhs) & Pradhan Mantri Suraksha Bima Yojana (PMSBY- 45.08 lakhs) as at December 2016.
- Under Atal Pension Yojana (APY) the Bank has cumulatively mobilized 1.12 lakhs accounts.
- Under Sukanya Samridhi Yojana, 17393 accounts have been mobilized.

Pradhan Mantri Mudra Yojana (PMMY)

- Under Mudra Yojana, the Bank disbursed ₹2807 crore, covering 266143 accounts as at December 2016.

A Holistic Approach to Financial Inclusion (FI)

- The Bank has provided banking facilities in all the allotted 10049 villages.
- Covered all 3962 allotted SSAs by opening of 875 Brick & Mortar branches and engaging Business Correspondent agents.
- Besides FI branches, the Bank has opened 473 **Ultra Small Branches**.
- **Financial Inclusion branches** have garnered business of ₹14955 crore. The CASA component of FI branches stood at 59%, amounting to ₹4388 crore.
- **18 Micro Finance branches** have garnered a total business of ₹523 crore under Urban Financial Inclusion.
- 163.50 lakh **BSBD accounts** opened with outstanding **CASA deposits of ₹5476 crore**.
- The Bank has formed **531 farmers' clubs**.
- 22556 **Self Help Groups (SHGs)** have been formed and 24574 SHGs have been credit linked to the extent of ₹698 crore. Exposure under SHGs increased to ₹2310 crore under 1.19 lakh SHGs.
- **Business Correspondent Agents** have done 62 lakh transactions, amounting to ₹1005 crore during the year till December 2016.

Enhanced Delivery Channels & Digital Footprints

- The total branch network of the Bank increased to 5972, including 8 overseas branches (London, Leicester, Johannesburg, New York, Hong Kong, Manama, Shanghai and Dubai).
- Total number of ATMs further expanded to 10394. 187 e-lounges were functional across major cities.
- Debit card base rose to 3.12 crore.
- 40.31 lakhs Mobile Banking and 27.08 lakhs Net Banking users.
- Ratio of e-transactions stood at 51.26%.
- Major branch transformation with 1211 Shikhar Branches for better customer service to drive business.

New Products & Important Customer-friendly Technology Initiatives

- Canara Empower, Unified Payment Interface (UPI) for single platform in accessing multiple bank accounts.
- Canara mserve that enables customer to Hot list and Block/Unblock Cards.
- Canara Cart, an umbrella app containing all mobile based solutions.
- Canara Swipe, all missed call solution in single Application.
- Canara GeoLocate Mobile App for locating Branch and ATMs
- Green Pin in ATMs to generate Debit Card PIN at the time of fresh issuance of Card and also when the customer forgets the PIN.
- CANARA TECH Support for structured resolution of queries related to Tech products.

Awards & Accolades

The Bank was conferred with the following Major Awards in Q3FY17:

- “SKOCH ORDER OF MERIT” and “SKOCH SILVER” Awards for Bancassurance & Empower UPI Mobile App during the 46th Skoch Summit.
- Indy Wood CSR Excellence Award, 2016, for outstanding achievement in Corporate Social Responsibility (CSR) by Indywood Film Carnival.
- 4th SME excellence award by ASSOCHAM.
- FICCI CSR AWARD- Social Responsible Bank under Women empowerment.
- “Star Performer Award” in the 31st Depository Participant Conference.

Goals: March 2017

- Thrust on Retail Business & Asset Quality- CASA & retail deposits, retail credit, fee income, containing NPA, recovery & upgradation and improving operational financial ratios, such as, NIM, RoA, RoE and Cost-to-Income.

Speaking on the occasion, Shri. Rakesh Sharma, MD &CEO, commented, “It is a prestigious moment for us today to make announcement of Q3 financial results. We are extremely pleased to declare that it was a satisfactory quarter for us, marking the end with well-achieved and profitable figures. The last quarter has been very eventful on account of a lot of significant announcements and ordinances by the Govt. of India. We have made through all the odds and alterations and it provides a great impetus to work harder towards our objectives in the coming quarter. Our ultimate goal to serve our customers better and take the organization to the next level has been further fortified with the present accomplishment”.

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