

Canara Bank Earnings Call

– **Moderator:**

- On behalf of Antique Stock Broking Limited, we welcome you all to Q3FY24 Post Earnings Conference Call of Canara Bank. From the bank's side from the management team we have Mr. K. Satyanarayana Raju - MD & CEO Sir, Mr. Debashish Mukherjee, Executive Director, Mr. Ashok Chandra, Executive Director, Mr. Hardeep Singh Ahluwalia - Executive Director and Mr. Bhavendra Kumar - Executive Director.
- Without further ado, I hand over the call to MD Sir for his opening remarks post which we can open the floor for any queries. Thank you, Sir, and over to you.

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- Good afternoon to all of you. I'm here to share some few performance highlights of the December quarter of Canara Bank. Our Net Profit has increased and reached up to 3656.
- We request all of you to mute your mics.
- First time we have crossed the 5-digit figure. Last year Net Profit was 10,604 crores but in this current financial year in the first three quarters itself, nine months, we could surpass that last entire year's the Net Profit of 10,000. Now, the current nine months Net Profit is 10,797 crores. This could be possible because of our Net Interest Income.

– **Participant:**

- Namaskar, Raju Sir.

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- Namaste, Sir. Shall I continue, Sir?

– **Moderator:**

- Yes Sir, please continue.

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- Our Global Business has crossed 22 lakhs and reached to the 22.13 lakhs within a 9.87% year-on-year growth.
- Our Domestic Advances are growing at 12.56. Our Total Global Advances have crossed 9.50 lakhs crores.

- Our Total PCR has improved 269 basis point and stood at 89.01%.
 - The Return On Asset, we are continuing to maintain above 1%. The current quarter also Return On Asset is at 1.01% with an improvement of 25 basis points year-on-year.
 - First time our Credit cost has gone below 1%. Now, our Credit cost is 0.97% with a year-on-year decline of 24 basis point with a healthy portfolio and improvement in the recoveries in the NPAs and the return of accounts.
 - Our Gross NPA has come down to 4.39 as against our guidelines of 4.50 for the entire financial year, with a decline of 150 basis points year-on-year. Our Net NPA also has further down to 1.32%, year-on-year decline of 64 basis points.
 - This Global Business and the Global Advances what we achieved 9.5 lakh crores is led by RAM sector as we have given the guidance that we focus more on the RAM sector. Our RAM sector has grown at 14.56%. and stood at 5,30,000 crores. This was led by Retail Credit growth of 12.14%. Agriculture and allied activities including the gold loan 19.26%. MSME, first time for the last 3-4 years we are touching almost 10% year-on-year growth.
 - And within the Retail Credit also the major growth is in the Housing Loan and the Vehicle Loan at 12.07% and 13.22%.
 - Our Earning Per Share is improved 45.74% year-on-year and reached to the ₹79.21.
 - Our Return On Equity still we are maintaining at 21.95% with a year-on-year improvement of 357 basis points.
 - Our Net Interest Margin, though there is a stress on the cost of deposit, still we are able to maintain about 3%. Our Net Interest Margin is at 3.02%. Initially itself we have given a guidance that we are focusing more on a yielding advances like in a RAM sector; more focus will be given on the RAM sector. Accordingly, just one year back our RAM sector was at 54% and Corporate was at 46% but because of the higher growth rate shown in the RAM sector our RAM sector composition has become 56% and Corporate has reduced it to 44%. But more or less every parameter is growing in the double digit, near to the double digit, including the Corporate which also has grown year-on-year at 8.26%.
- You can see the specific ratios.
- Net Profit is continuously increasing.
 - And the PCR also is increasing from 86.32% to 89.01%.
 - Gross NPA also is continuously reducing from 5.89 to 4.39. And Net NPA also is coming down gradually from 1.96 to 1.32.
- Certain key ratios I wish to share with you that reflects the consistency and the stability of the Balance Sheet of the Canara Bank.
- Return On Asset above 1%. That's both quarterly as well as cumulative is 1.01%.
 - Return on Net Worth, quarterly at 21.06 and a cumulative it is 21.95.

- Cost-income ratio quarterly 50.37 but cumulative 45.93. But here I would like to clarify here itself why the cost of Cost-income ratio for the quarter is 50.37%. There is not much increase in the Operating Expenses but you are aware that the current quarter, the bipartite settlement has been signed between the Employees Association and the IBA. They signed the agreement at a 17% incremental growth in the wages and it is effective from the November'2022. That means up to December'2023 so total 14 months. When we started our journey from the November'2022, initial first quarter we have provided in the anticipation of incremental growth in the salary bill; we have provided 10%. Afterwards, two quarters we have provided 15%-15% because last time the wage revision was happened in between the 14%-15%. But now the settlement has happened at 17% which demanded a higher provision. So, up to December 31st, 2023 that means a total entire 14 months period we calculated the burden on the Employee Cost because of this wage revision at 17% and the entire amount whatever it is up to the December 31st, the gap, we have provided in this quarter itself. In addition to this, because of this wage revision there will be an Actuaries on the retirement benefits also. Out of that also 250 crores we have provided in this quarter itself. So, totally in addition to that regular provision of 15%-17%, 700 crores extra we have provided towards meeting the requirements of the staff wage revision impact so that there will not be any much pressure on the next two quarters on this particular issue. Entire that expenditure, whatever it is in actual, we have calculated it and the entire amount has been provided in this quarter itself. That's the reason the Cost-income ratio has shown little more in the 50% in the current quarter but overall cumulative is 45.93. We have given a guidance at 45%, we are sure that by March we will maintain that at 45 below.
 - Our CD ratio is just above the 75%; 75.26%.
 - Our EPS (Earning Per Share) current quarter it is 80.17 and cumulative it is 79.21.
 - Our Book Value has further improved ₹390.78.
 - And our NIM is maintained about 3%.
- So, our Capital Funds, here again I want to clarify that continuously last three quarters we are able to maintain above 16% but because in the December quarter the regulator has changed the risk weightage on certain NBFC exposures and the personal loans exposures of all the Banking Industry that has affected, impacted the Canara Bank's capital in a downward 52 basis points. But because of our internal accruals in the current quarter also, after meeting the current quarter advances growth we could have a surplus of 10 basis points. That's why the net impact for us, though it is initially because of that higher risk weightage it was impacted 52 basis, but it has reflected finally at the end of the quarter is only 42 basis points i.e. 16.20 became 15.78.
- And, of course, here let me clarify to you that the Board has already approved the bank to go to the market for raising AT1 and Tier 2 Bonds to the extent of 7500 crores. Out of that AT1 bonds is 3500 and Tier 2 Bonds is 4000 crores. In the just concluded quarter, we have gone to the market for 1000 crores, raising 1000 crores AT1 bonds, keeping in mind

the rate of interest at 8.4%. So, we got bidding at 8.4 almost to the extent of 1443 crores and the entire 1443 has been absorbed. The remaining 6100 crores is yet to rise from the market. We are watching the market because we are very rate sensitive and concerned about that rate of interest. Whenever we feel that it is favorable to us, definitely we will raise this remaining 6100 crores in the next two months if the market favors to us. And this is actually guidance at the initial financial year that's given the guidance to the Analyst as well as the Media, Sir, and actuals what we have given is we have given the business growth globally at 10%. We are maintaining that 10%. Advance growth, we have given at 10.5 but we are growing at 11.69. We are sure that we maintain that to 12% whatever the growth rate is there.

- Deposit. We have given a guidance of 8.5. We are growing at 8.55.
- CASA is one of the area of concern still for us though we have given ambitious 35% but we are able to maintain only 31.65%. This is because though the deposits are growing at 8.55 our CASA year-on-year it has grown only 5.05. It is not in sync with the Total Deposits. That's also one reason that we are not able to reach that CASA 35%. But this current quarter we have taken it as an exclusive campaign for the deposits, especially in the Retail Term Deposits and main focus on the CASA. We have initiated several initiatives. We are hopeful that this current year, year-on-year growth will also be in sync with our Deposit growth
- Gross NPA, as against 4.5 we already achieved 4.39. Net NPA as against the guidance of 1.20, we already achieved 1.32.
- PCR. We have given 90% as a guidance. We already achieved 89.01%.
- Slippage ratio. This is also another area to show the reflector that to reflect the health of the portfolio. As against 1.30 we have achieved 1.24%.
- Credit cost. First time that it is also helping indirectly in our NIM also. That's 1.20 as against...and first time in Canara Bank history that we could achieve the Credit cost below 1% i.e., at 0.97%.
- Return on Equity, as against the guidance of 19.50% we achieved 21.95%.
- Earnings per share. We have given a guidance of ₹65 but against that it is ₹79.21 what we have given. The results have come and that's why we could achieve that ₹79.21
- Return on Average Assets, another strong ratio which we are able to maintain. As given the guidance is 1% for this coming financial year end but we could achieve it well before that and we are able to maintain at 1.01%.

- These are the few highlights of the performance of the December quarter from our side, Sir. Now it's open, you can ask any questions. Along with me our Executive Directors and CFO are all available. We are ready to answer your queries whatever it is there, Sir, or the clarifications.
- **Moderator:**
- Thank you, Sir. Those who wish to ask a question, please raise your hands. In fairness to all participants, we would like to request you to please limit your questions to two per participant.
- So, I would first request Maru to ask a question. Please, unmute yourself.
- **Ms. Maru – Participant:**
- Yeah, hi.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Hi, Madam.
- **Ms. Maru – Participant:**
- Hi. Sir, my first question was on the interest income. If you see other interest that has gone up a lot, that has gone up nearly by 800 crores, the other interests in the total interest income. So, what does that comprise of? What items does it comprise of?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- These are all actually items, Madam, it is related to the Income on Reverse Repo, Income...whatever the interest we keep it for overnight, we lend to the other partners in the market because when we have a tool of borrowing from the RBI at a cheaper rate. We have a scope to invest wherever the liquidity issues are there with the other partners. There we can lend overnight or in a short term basis. These are all the things and, of course, some other is their interest and swap. Many times whenever the swap, interest rates will be there and that income also will be there. Some interest on tax also will be there. These are all the components of that, Madam.
- **Ms. Maru – Participant:**
- So, Sir, can you quantify the swap income and tax income so that we know how to forecast this for future? Because it's gone up very sharply by 800 crores, so that way.

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

– That's correct, Madam, but you can see that there is a steady growth for the last four quarters. So, hope you might have seen that continuously that quarter-on-quarter there is a growth. That means you can understand that we have focused on that particular parameter and we are working on that. That's why these results are giving that.

– But exactly item wise, I don't have the clarification but we'll come back to you, Madam, on that.

– **Ms. Maru – Participant:**

– Okay. But just, Sir, if you could give the tax refund, if not the swap. How much is interest on tax?

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

– Our CFO will be in touch with you, Madam.

– **Ms. Maru – Participant:**

– Okay. Okay, Sir, and my other question is that now what is like earlier you had indicated in the previous calls that at the 15% hike your wage bill per month was around 115 crores and now that you have provided 17% what does that move up to?

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

– Madam, actually, already now the settlement has been happened. Final draft guidelines they are drafting it but the agreement has been happened between the Employees Unions and IBA at 17% load on the November 1st, 2022 salary bill. Based on that we are providing it at 17%. If we calculate it every month, it is calculating around 129 crores; approximately 130 crores per month. So, we calculated from last 14 months on the same basis 129 crores and whatever the shortfall we have provided earlier based on 15% guideline, whatever the shortfall is there that entire amount we are absorbed in this quarter itself up to December 31st, Madam. That's why we have provided 700 crores extra in this quarter towards the employees.

– **Ms. Maru – Participant:**

– Correct, Sir. And, Sir, you mentioned that that 250 crore of actuarial pensions.

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- Yes, Madam. Yes, Madam.
- **Ms. Maru – Participant:**
- So, that is up to December? You provided up to December?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Actuaries, see, is up to March, Madam. So, up to March whatever it is there, in that majority we have already provided in the Actuaries. A small portion may be there, that we will provide in the March. Very small portion will be left out in the Actuaries. In Actuaries also majority portion we already absorbed in this quarter itself.
- **Ms. Maru – Participant:**
- Okay. So, now in the March quarter most likely you will just see a provision of 130 crore into 3.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Yes, Madam.
- **Ms. Maru – Participant:**
- And very small pension, correct know?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Very small portion of Actuaries. Very small portion of Actuaries.
- **Ms. Maru – Participant:**
- Okay, Sir. Thank you. Thanks a lot.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Thank you, Madam.
- **Moderator:**
- Thanks, Maru. We have the next question from the line of Mona Khaitan. Please, unmute yourself and go ahead.

– **Ms. Mona Khaitan – Participant:**

– Yeah. Hi, Sir. Good evening.

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

– Good evening, Madam.

– **Ms. Mona Khaitan – Participant:**

– Yeah, my first question is on the provisions line. So, we see a write back of about 490 crores during the quarter, what does this pertain to?

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

– Actually, Madam, you might be aware about that RF 1 and RF 2, when we do that we have provided, because of that restructuring some provisions have been made. That when it is coming to the accounts have been completed the required tenure as well as the accounts are now standard assets for that and whatever it is there on those things whenever the loans also closed in this know that reversal of this provisioning on RF 1 and RF 2 is major that 490, Madam, whatever it is there.

– **Ms. Mona Khaitan – Participant:**

– Okay. So, this mainly pertains to restructured book coming off etc ?

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

– That's why this delay. Delayed RP also is there, Madam. Resolution process is there know wherever delayed RP, we have provided extra provisions. Once that has been admitted in the NCLT, that provision also will be reversed.

– **Ms. Mona Khaitan – Participant:**

– Sure. And where does the residual restructured book stand today against about 14,000 crore last quarter?

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

– Yes, Madam, it is there. Actually, originally this RF 1 and RF 2 and MSME their restructure happened 24,000 crores. As on date, it has come down to that 17,000 crores and out of that for almost 4900 crores is NPA and 12,000 crores is standard asset.

– **Ms. Mona Khaitan – Participant:**

– Okay. Sure. And my second question is on the recovery. So, we have seen very strong recoveries over the last two quarters from written off accounts.

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

– Yes, Madam.

– **Ms. Mona Khaitan – Participant:**

– So, what sort of expectations you have for the coming quarters and the next fiscal as well?

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

– In current financial year in initial stages itself we have told you, we informed to the Analysts that our target is our slippages will be well within our recoveries towards the NPA and the written off and upgradation. And the same guidance we are continuing and in that we are able to maintain for last continuously three quarters and the December quarter also we could maintain that. The recoveries, again, under the written off it is coming not only from the NCLT. NCLT we got only 450 crores odd amount through liquidation or the settlement resolution through and the remaining all is through small loan accounts, Madam. Wherever some OTS is there, every time we have attractive OTS schemes are there in written off accounts and through OTS in across the 10,000 outlets we get this recovery.

– And because we are focused on that recovery especially, we are driving in all the areas. So, we are getting a better recovery under written off account. And the slippages also you can see that year-on-year it is slowly, continuously it's coming down quarter-on-quarter. So, December it was 3000 thereafter was 2857 and September it is 2894 and now it is 2697. These are all the fresh slippages, Madam. We are also controlling our fresh slippages and these 2697 know, the slippages are 1200 crores towards MSME, 1000 crores are towards Agriculture and 400 crores is towards the Retail.

– **Ms. Mona Khaitan – Participant:**

– Sure, Sir. Can you just repeat the breakup of slippages?

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

– 1200 crores from MSME, 1000 crores from Agriculture, 400 crores from Retail.

- **Ms. Mona Khaitan – Participant:**
- Okay and nothing from Corporate?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Small amounts from the existing loans and the small-small accounts.
- **Ms. Mona Khaitan – Participant:**
- Got it, Sir. Thank you so much, that was useful.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Thank you, Madam.
- **Moderator:**
- Thank you. We have the next question from the line of Rakesh Kumar. Please, unmute yourself and go ahead.
- **Mr. Rakesh Kumar – Participant:**
- Yeah, hi. Thanks, Sir. Thanks for the opportunity.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Hi, Rakesh.
- **Mr. Rakesh Kumar – Participant:**
- Hi, Sir. So, Sir, first question was pertaining to this wage revision provision that we have made incrementally in this quarter. So, we understand that there was an increase in you the settlement number at 17% and we were making provision at around 15%. But like the incremental rise in this quarter like we have made around 740 crores approximately, correct me if I'm wrong.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Yes, Sir, I'll explain to you that. I'll explain to you that. In that, actually, already last year December quarter then March quarter, June quarter, September quarter; there four quarters have been completed. In the first quarter we have provided 10% and there afterwards we started providing at 15% in anticipation that it will be in line with the last

times settlement. But this time settlement has happened for 17%, so I have to calculate 17% from 14 months and we calculated that 14 months. When we calculated whatever the shortfall, the shortfall it has come around 450 crores. That 450 in addition to that regularly what every month we are supposed to provide was 129 crores per month. That is for these three months also has been provided and in addition to that that 450 also has been provided. In addition to that, that Actuaries towards the retirement benefits, some burden will be there around 400-450. There also we have taken some 250 in this quarter because in this quarter we felt that some cushion is there for us. So, we absorbed this in this quarter itself; these two together. So, total 700 crores we have provided additionally. That has impacted that OP as well as the Cost-income ratio, Sir.

– **Mr. Rakesh Kumar – Participant:**

- Previously we were not making provision on account of Actuarial benefit obligation?

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- No, but generally Actuaries the payment will be once you have finalized and then only Actuaries you can arrive what is the actual amount. But since the settlement is not finalized, that will happen only at the time of payment. But now this time also because in anticipation of next quarter it has to be paid. Since we have a cushion in this quarter, we have taken some burden in this quarter in advance. Otherwise, generally the tendency practice is at the time of payment only Actuaries will reflect in that quarter.

– **Mr. Rakesh Kumar – Participant:**

- Okay, understood, Sir. And, Sir, like Return of Pool still is close to around 69,000 crores, so firstly if you can give some picture on these 69,000 crores written off pool. So, what is the vintage of this pool? Like these are two years old, three years old, so if you can categorize that number?

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- No, I can tell you that broadly. Broadly I can tell that but the majority will be in already NCLT cases. More than 51,000 crores to 52,000 crores is in the NCLT cases. The remaining is in the RAM sector in various areas. So, D3 where you have provided 100% or the loss asset where there is no security, so on those matters only this pool is there. So, some efforts what we are continuing in the NCLT that is also giving the results but these remaining 14,000-15,000 where the base is available other than NCLT cases, there we have an attractive OTS system and we have streamlined our machinery to focus more on that like conducting within Bank Adalat. We are going to the villages for conducting Village Sabhas and all to encourage them to avail these benefits. So, these are all actually we have provided 100%, even whatever money we get it is a profit for us. That focus we have taken as a main focus, that's why we are getting a better results in that.

– **Mr. Rakesh Kumar – Participant:**

– Correct, Sir. Correct. Very nice, Sir. Sir, just one last question, what is the haircut that we take in the OTS scheme, Sir?

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

– No, Sir, actually haircut is the NCLT it will be decided by the NCLT, right, because based on the resolution process as well as otherwise it is on the liquidation. Whatever it is there, it is a collective decision creator. So, it is secured creators decision and we have to follow according to that. In normal cases depending on the size of the account or the securities available, there Board approved policies are there written off and only to that extent written off will be there. Written off means sacrifice will be there. In smaller ones, actually book value sacrifice will be less.

– **Mr. Rakesh Kumar – Participant:**

– Okay. Roughly around what number like the OTS what is the...

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

– See, you cannot justify that by saying it exactly but, generally, in small values the book values whatever is there you can expect the 75%-80% in that book value. But where it is NCLT, that may not be the case.

– **Mr. Rakesh Kumar – Participant:**

– Correct, Sir. NCLT number we are aware of, Sir, but only OTS scheme thing we are not fully aware of.

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

– No-no, in some cases you will get 100% book value and in some cases where it is a loss and there is no security and it's very old NPA we may accept it even 75% of the book value.

– **Mr. Rakesh Kumar – Participant:**

– Very good, Sir. Very good. Superb, Sir. Thank you. Thanks a lot, Sir. Thanks a lot.

– **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

– Thank you, Sir.

- **Moderator:**
- Thank you. We have the next question from the line of Bhavik Shah. Please, unmute yourself and go ahead.
- **Mr. Bhavik Shah – Participant:**
- Hi, Sir. Am I audible?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Hi, Bhavik ji.
- **Mr. Bhavik Shah – Participant:**
- Sir, I just want to understand so on your interest income, the Other Income, which is 14 million, Sir, how should we think about it? Like going forward is it sustainable? Like what are the levers which will help you sustain? Or you cannot sustain at this pace?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- See, what we want to tell you is just look at the last four quarter how it is gradually showing that. But I don't think that here further increment or increase or improve will be there because we already reached to the optimum level and presently market maybe funds are very tight and we cannot generate so much funds to effectively use that. So, here afterwards again further improvement showing in that Other Income may be very difficult.
- **Mr. Bhavik Shah – Participant:**
- Okay. Sir, on a steady state basis like should we assume 400-500 crores?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Pardon?
- **Mr. Bhavik Shah – Participant:**
- On a steady state basis just how we 400 crores around.
- **Management:**
- Other Interest Income how much?

- **Management:**
- Reduction.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Reduction?
- **Mr. Bhavik Shah – Participant:**
- No, no. What I'm asking is that the current number is 1400 crores.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Yes, Sir.
- **Mr. Bhavik Shah – Participant:**
- So, on a steady state basis how should one think about this number?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- No, this all predicting is too early. It is demand and supply. If the demand is high, we get a higher income. If the demand is not there, we may not get that income. So, very difficult to predict that.
- **Mr. Bhavik Shah – Participant:**
- Understood, Sir. And, Sir, what would be the LCR this quarter?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Pardon? LCR?
- **Mr. Bhavik Shah – Participant:**
- Liquidity Coverage Ratio.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- LCR is 135%, Sir. 135.01%.
- **Mr. Bhavik Shah – Participant:**

- Thank you, Sir. And, Sir, good luck.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- That's why we are comfortable, that is why we are able to earn that money.
- **Mr. Bhavik Shah – Participant:**
- Understood, sir.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Okay, sir.
- **Moderator:**
- Thank you, Bhavik. The next question we have from the line of Ashok Ajmera. Please unmute yourself and go ahead.
- **Mr. Ashok Ajmera – Participant:**
- Good afternoon, sir.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Good afternoon Ajmera sir.
- **Mr. Ashok Ajmera – Participant:**
- Congratulations Raju sir and the entire team for very good set of numbers. Because if you take away with this additional provisions and increase in the employees cost, then the profit would have been phenomenal. And considering that, shall we consider that from the next quarter the employee cost will come down as against Rs. 4,533 crore to around Rs. 4200 crores?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Sure, sir. Definitely.
- **Mr. Ashok Ajmera – Participant:**
- So that will add to the further profit of the bank. Sir, one small data point. Maybe because certain entries are there, our net worth which is shown in the results...our net worth in September was Rs. 67,480 crores. If you add this profit of 3,656, it becomes Rs. 71,136

crores and net worth shown is 7,893. So there is a difference of, reduction in net worth of 243 crores.

- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- Let me tell you sir that actually when it has come for that the expiry of the bonds, whatever it is there where you can see that in the 71,000 to 74,000 common equity, what we have shown. You are talking from the presentation, sir or you are talking from any other area?

- **Mr. Ashok Ajmera – Participant:**

- No your results. In your results the net worth shown is Rs. 70, 893 crores. But if you plainly add the profit of this quarter to the last time net worth shown, then there is a difference of 243 crores. So are you saying that is bond value erosion of Rs. 243 crores or...?

- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- No sir, bond value erosion will not be there. You are asking about net worth, right? Some expired bonds might have been paid. That might be one case. And when you are taking it to account for that internal accruals, we don't add the entire net profit to that. We keep a 20-21% to the proposed dividend. That also we keep aside. We don't add entire thing. That might be the root cause for that, sir.

- **Mr. Ashok Ajmera – Participant:**

- All right, point taken. Now coming on this credit growth, you have given 10.5% of the target for the entire credit. If you look at, up to December, it's around 7.09% in the credit growth. So does it mean that in the coming quarter, that is January-March quarter, we will have about Rs. 40,000 crores of increase in our overall credit book?

- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- Generally, that is the tendency, sir. In March generally you will find more. Look at that year-on-year growth that is there. Now also it is reflecting almost 11.69 and easily we can manage that 11.69 or around 12%, the year-on-year for the current year also, sir.

- **Mr. Ashok Ajmera – Participant:**

- Yeah, current year also it is around 10.5 to 11%.

- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- Around 11.5 to 12% we can...

- **Mr. Ashok Ajmera – Participant:**

- 11.5 to 12%?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Yes, sir.
- **Mr. Ashok Ajmera – Participant:**
- That's good. Sir, we were talking about that recovery from the written off account because it has become very attractive for every bank because it just plainly gets added to the bottom-line. So what is our overall cumulative book of the written off amount?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Just now my friend from another analyst has also discussed about this. Around Rs. 69,000 crores, whatever it is in the book, out of that Rs. 52,000 crores is NCLT book. The remaining is from the RAM sector, RAM and other than NCLT sector, sir.
- **Mr. Ashok Ajmera – Participant:**
- That is Rs. 14,000 crores or something.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- No 52,000, in that the remaining is, whatever it is, Rs. 14,000 is from other than NCLT accounts.
- **Mr. Ashok Ajmera – Participant:**
- All right, sir.
- **Moderator:**
- Ajmera ji, we'll request you to please join back in the queue as there are more participants in the line. Next question would be from the line of Jai Mundra. Please unmute yourself and go ahead.
- **Mr. Jai Mundra – Participant:**
- Good evening, sir and thanks for the opportunity.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Good evening, Mundra ji.
- **Mr. Jai Mundra – Participant:**

- And congratulations on 1% ROA, sir.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Thank you.
- **Mr. Jai Mundra – Participant:**
- I have a few questions. Firstly, sir, this actuarial hit that we have taken of around Rs. 250 crores, the residual hit that could come...
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- 250?
- **Mr. Jai Mundra – Participant:**
- Yeah, 250 we have taken. What is the residual, sir? Is it like less than 250 or it could be much higher in number?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- It will be less than 250, sir. Much, much less than 250, sir.
- **Mr. Jai Mundra – Participant:**
- Understood, okay. And sir, secondly, in terms of your loan growth, right. So, especially in the large corporate segment, we see that the NBFC exposure has come down, which is probably due to this demand-supply thing. But what is your sense in the total corporate growth only, I mean only the large corporate growth?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- So large corporate growth, what we are targeted is 10%, sir. We are sure that will happen because in the first nine months, if you see that, as on December 31st we could achieve it at 8.69% even without increasing any exposure in the NBFC, you can see that. NBFC exposure has come down drastically, almost 8000 crores from last quarter to this quarter. The reason behind is when the regulator has increased the risk weightage in certain NBFCs, as a corporate goal, we have taken a corporate call. We have taken a call that a part of that burden has to be passed on to our existing NBFCs who are enjoying a concessional rate of interest. Wherever they are accepted on negotiations, the increment that's an increase in that rate of interest, we have continued that exposure. There maybe one or two cases where it has not happened. There is no mutual agreement between us and the party, we have received back that money, sir. We have asked them to repay it and they have repaid it. So it's not that there is no demand. There is a huge demand for NBFC for funding. But we are very much cost consciousness, yield consciousness is there.

So we don't want to compromise at the cost of bottom-line to show a growth at the top-line. That's why we have taken. But even without this NBFC exposures, now there are so many applications pending with us for even NBFC by paying the money whatever we are demanding it. But a huge demand is there from infrastructure, green energy, steel, power and even data centre creation. Several other manufacturing sectors also it is there. already we have sanctioned and pending for the dispersal also is there and several proposals are there on pipeline also. So, we are very much confident that the 10% corporate growth will be there.

- **Mr. Jai Mundra – Participant:**

- Okay. And sir, what about next year? I mean, if you have any ballpark numbers should it remain stable or you see any signs of this accelerating to like 15-20%?

- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- No, we feel that the stable growth will continue next financial year also. But as Canara Bank we have taken a call that we want to grow faster in the RAM sector than the corporate sector because we don't want to grow balance sheet at the cost of bottom-line. So current year whatever we are projecting the same, 1 or 2% here and there, may reflect in the next financial year also.

- **Mr. Jai Mundra – Participant:**

- Understood. And sir, if you can share your split of the book by benchmark how much is EBLR? How much is MCLR?

- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- MCLR is around 51%, sir and RLLR is around 39%. The remaining is all remaining, a fixed rate will be there, staff will be there and the old base rate and all will be there, sir. That is, majorly 90% is covered with RLLR and MCLR. MCLR is 51%.

- **Mr. Jai Mundra – Participant:**

- Correct, sir. And sir, if you can share the broad trends in passing on the MCLR? So let's say, the card rate from one year back book which comes for re-pricing in let's say January this year, the card rate...

- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- No, the MCLR change is ongoing. Every month we change that based on our cost of the deposits. Even the just concluded month, first week, we increased 5 basis points. One or two months back also we have seen that 5 basis points we increased. It depends on that but it's not that once you have increased, it will be implemented for entire 51%. For that to have an effect, it takes minimum twelve months to impact that entire portfolio. But

still we feel that some 25 basis points difference is still to be collected from around 15% of that....15% to 20% still of the portfolio to be passed on to them.

- **Mr. Jai Mundra – Participant:**

- So sir, your yield on advances should not stagnate, right? Is that what you're saying, that the yield on overall advances should still rise by whatever the pace they continue?

- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- No. The major concern here is the yield on advances cannot be stagnant, sir. We keep increasing it till the higher rate of interest regime is there in the market. Because our cost of MCLR will be defined based on our cost of funds. Since January 1st, we are experiencing a much higher rate of interest on the deposits. So naturally that will impact our MCLR proportionately in the coming months. It will never be constant, sir. It's totally dependent on our raw material, deposit cost.

- **Mr. Jai Mundra – Participant:**

- Okay. And sir on your LDR, you mentioned that we have around 75% LDR. Do you think that from now onwards you can have loan growth growing at a faster pace than deposit? Or now you have to have a balancing act between...

- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- Two year back or three years back, our CD ratio was around 67% to 68%.

- **Mr. Jai Mundra – Participant:**

- Right.

- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- So were losing so much money in the interest income that we felt that we can go up to the 77-78%. We have reached 75% but we don't want to neglect the liability growth. That's why we thought that the current quarter we want to take it...this particular specific quarter growth we want to match both. The deposits also we want to grow at the rate the advances are growing. Maybe 3% or 3.5% whatever it is there, whatever we are expecting in the advances the same percentage we want to grow in the deposit also. That's why special campaigns have started for the deposit mobilization.

- **Mr. Jai Mundra – Participant:**

- Yes sir. But the question is slightly longer term, I mean twelve months basis. Could you still see an uptick in your LDR ratio? Or you think 75% is more or less the peak?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- There is no hard and fast rule that we should restrict ourselves at 75% but it is a guidance. Guidance in the sense, it is an advisory that it is a healthy maintenance of balance sheet at 75% to 77% is a healthy maintenance of the CD ratio. We want to be in that bracket only.
- **Mr. Jai Mundra – Participant:**
- Sure sir. And last, two clarifications.
- **Moderator:**
- Jai, we would request you to please come back in the queue.
- **Mr. Jai Mundra – Participant:**
- Sure. Thank you.
- **Moderator:**
- Next question is from the line of Kunal Shah. Please unmute yourself and go ahead.
- **Mr. Kunal Shah – Participant:**
- Hi sir. Congratulations on a good set of numbers.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Hi Kunal.
- **Mr. Kunal Shah – Participant:**
- So firstly, maybe in notes to accounts what we give with respect to this wage revision overall provisioning of 1816 so that includes pension as well or that doesn't include pension?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- No, no. 250 is extra, sir. 1816 plus 250. It's a 2066.
- **Mr. Kunal Shah – Participant:**

- Yeah. So I was just looking at it. So maybe last quarter this 1816 was 1070 and now it's becoming one 1816. So actually the increase towards the wage revision would have been Rs. 730 crores, and over and above that there would be another 250 odd crores.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- No, you please recall that. Every quarter we are providing Rs. 345 crores. This we are maintaining for last three quarters onwards at 15%, 115 per month, 345. This Rs. 700 crores is over and above that 345.
- **Mr. Kunal Shah – Participant:**
- Okay. So what you are trying to say any which ways this Rs. 345 crores was due over and above...
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Because last quarter also we have provided 345 crores. So this time, 345 is in line with the last quarter. But over and above again we have provided Rs. 700 crores.
- **Mr. Kunal Shah – Participant:**
- Okay. Because last time when we look at it, Rs. 1073 crores and if you would have provided for eleven months, it could have been about...
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- ...you have to deduct Rs. 300 crores, no? If you deduct this Rs. 340 crores automatically you get 450 only, approximately. That's the same amount you will get.
- **Mr. Kunal Shah – Participant:**
- Got it, okay. And this NBFC, you have highlighted that there has been some repayments. But how much we would have tried to pass it on in terms of increase in the rates to the NBFC suppose the risk weight increase?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- See, you can't pass it on to everybody on the same pricing. It is on negotiated terms. If it is a AAA, we might have passed it on to 10 to 25 basis points. For AA, a little more. For A, it may be little more. It varies from their risk weightages and all. But it is a party to party negotiating system, what the relations they are maintaining with us, what other ancillary business we are enjoying with them, all these factors will be a part of our decision making.

- **Mr. Kunal Shah – Participant:**
- Okay. But for a AAA rated entity, how much would that be? Around about 10-15 basis points or it would be 30-40 basis points?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Surely it will be more than 15 basis points. I can say that confidently.
- **Mr. Kunal Shah – Participant:**
- Okay, more than 15 basis points. And lastly in terms of branch expansion, so we see some branches getting added after a long time. So maybe how we are looking at it in terms of the expansion of the network because generally we are not seeing that kind from PSU banks as such.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- See, if you look at the outlets branch network, the increase in the number itself will reflect that opening of new branches are there. Though some closures of branches are also there, but opening up branches are there too. I think already 140, 150 branches we have opened newly. And the remaining also will be completed in this quarter.
- **Mr. Kunal Shah – Participant:**
- Okay. So the only question was, we will continue to do that or how would that be?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Yes, depending on the business opportunities.
- **Mr. Kunal Shah – Participant:**
- Okay. Thanks a lot.
- **Moderator:**
- Thanks Kunal. The next question is from the line of Rahil Shah. Please unmute yourself and go ahead.
- **Mr. Rahil Shah – Participant:**
- Sir, good evening.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Good evening, Rahil.

- **Mr. Rahil Shah – Participant:**

- Sir, two questions. This EPS, the run rate we've been at EPS, what is your outlook there now? Can we sustain this per quarter wise?

- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- Sure, we can sustain that.

- **Mr. Rahil Shah – Participant:**

- Okay. So quarter four we can expect 20?

- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- No. Whatever we have reflected in the December quarter, definitely that will sustain. That much I can tell you.

- **Mr. Rahil Shah – Participant:**

- All right. And cost of funds quarter-on-quarter have slightly moved up. Do you see any pressure on NIMs?

- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- Sure sir. There is a pressure. Last time also I shared with you. Actually we are expecting that our NIM will be between 2.9 to 3.0. But we are trying our best to manage at a possible extent so that we maintain nearer to the 3%.

- **Mr. Rahil Shah – Participant:**

- Okay sir. Thank you and all the best.

- **Moderator:**

- Thank you Rahil. The next question is from the line of Pritesh from DAM Capital. Please unmute yourself and go ahead.

- **Mr. Pritesh – DAM Capital:**

- Hi sir.

- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- Hi Pritesh.

- **Mr. Pritesh – DAM Capital:**

- Sir, just one clarification needed. When you give breakup of slippages, corporate you said it is very negligible. But last month back there was a report that BGR has been as a default. There your exposure is about 5.6 billion. So was it taken earlier? Is it going to be taken next quarter? What is the stance there?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- No. Actually for our bank, I can comment only on our bank, our bank slippages are very much under control. Because if you look at that one slide we have given it on stressed assets. If you see that SMA 1 and 2, the entire 5 crore and above if you take, it is only 0.63. And if you take entire portfolio including the Rs. 10,000 loan also, even then it is less than 3%. So I don't see that problem will be there in our bank. That's why we are telling that our slippages gradually quarter-on-quarter we are seeing a downward trend because we are able to maintain...when it is in the SMA 1 and 2 itself we are addressing those accounts. It's only because of our monitoring system we have tightened.
- **Mr. Pritesh – DAM Capital:**
- No, I appreciate that sir. I see that the whole systems in the asset quality is quite strong. But why we are asking this is that it was noted that it is as per divergence report of RBI and so one was under the impression that it was a weakness.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- That's what I'm telling you, I can comment only on the Canara Bank side. Canara Bank divergence nothing is there in that aspect. It may be because based on the industry they might have commented. But for Canara Bank, I can comment on that based on our figure, sir.
- **Mr. Pritesh – DAM Capital:**
- Got it. Second, this quarter we had a slightly higher write offs than the trend. What is your view on write off going ahead? We had a 3900 crore write off this quarter.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- See write off, when you have already provided 100% in D3 and loss asset. Depending on your balance sheet comfort, you can keep doing that. But our call is to the extent what we are recovering towards the written off under the NPA and the up gradation. We don't want to do beyond too much on that. We want to restrict ourselves nearer to that. The second one is, this write off, majority write off is for NCLT cases. When you are getting something then you are forced to do the write off for a balance amount. You can't keep in your books just like that.
- **Mr. Pritesh – DAM Capital:**

- Sure. Thank you sir. Those were my two questions. All the best.
- **Moderator:**
- Thank you Pritesh. The next question is from the line of Sushil Choksi. Please unmute yourself and go ahead.
- **Mr. Sushil Choksi – Participant:**
- Congratulations to Canara Bank team for a stable and wonderful performance.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Thank you Choksi saab.
- **Mr. Sushil Choksi – Participant:**
- Thank you sir. Sir please don't call me sir. First question. You declared that you would monetize some of your subsidiaries.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Yes sir.
- **Mr. Sushil Choksi – Participant:**
- Do you expect something in the current year or roll over into next year?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- No, disinvestment may happen in FY25, sir.
- **Mr. Sushil Choksi – Participant:**
- Okay. And as per your plan, you'll do two disinvestment or one?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Two, sir.
- **Mr. Sushil Choksi – Participant:**
- Two, okay.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- For one, already our Board's approval has come and we are informed to SEBI and the market also, sir. Second one, is in the process. Once our Board has approved that also we will disclose to the market, sir.

- **Mr. Sushil Choksi – Participant:**

- Okay. Second thing sir, we've taken lots of initiative for digitization, a lot of developments where products are concerned. I am sure I've seen a lot of features. Are you accelerating your spend on digitization further or the current program is fine and when do we see the actual result of the entire process? Within next twelve months or a year later?

- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**

- Already initiatives for the decisions taken two years back have been taken. We are getting some results on that. Let me share some figures to you, sir. Just three years back, our UPI transactions per annum is around Rs. 98 crores, sir. But now we have reached to the position that per month it is Rs. 83 crores. That's the jump we have seen. This is because of our initiatives that we have taken for last two years. We are onboarding the people, our ai1 has gotten attention of many of the people. Many people are joining in the UPI initiatives and all. But simultaneously first time we have come out with the CBDC interoperability. We are the first banker. Many such initiatives we have taken. But now, one more thing is, we have got a very good feedback regarding our mobile app from our customers. So many demands have come from our corporate clients also that they also need in addition to net banking through laptop and all. They expect that mobile app also should be available to corporates. That we have launched recently and that also has attracted many people's attention on our clients.

- Then, recently also you might have gone through that newspapers and all that on the first day of this current calendar year, January 1, we have inaugurated a centre of excellence for data and analytics – DnA, and along with that data lake also we have inaugurated. This data analytics, what we are working for the last two years is on a small scale. But initially we thought that first let us clean our existing data so that make your data as genuine as possible so that you get the better results when you use the tools. That's why we worked last two years strongly on the existing legacy data by using the dump data analytics and now we got a confidence that yes, we have cleaned that data to the maximum extent. Now, if you start using this with the latest AI and machine learning model tools available in the market, if you can use and you can generate a business and support your outlets for garnering them when you are aiming for more than 10% growth, definitely you need a support to the branch channel also to supplement that business growth. This initiative is helping us and what we have taken that initiative is contributing in the last nine months period I can tell you that through this analytics, what the leads we generated based on their expenditure behaviour, studying for the last five years and ten years we are generating in several products like a savings bank, current account, MSME, housing loan,

vehicle loan, personal loan, pension loans like this and almost 8 to 12% of incremental growth, whatever the growth we are showing for the last nine months, out of that 8 to 12% growth we are converting from this lead generation, sir. That itself is a major contribution. So this we want slowly increase to 20% to 25%. For that we are adopting a new tools and the latest tools that we are implementing is, we are creating a data bank for each outlet within their 2 or 3 km operation. The data bank contains how many business units are there, how many schools are there, how many government offices are there, how many societies are there, and this entire data, we are making it available to the branches so that they can straightforward go and meet those people and convert them into that. Such type of uses we have started implementing and many such tools are there.

- Recently, you might have also seen that on 1st January, we had finals of a hackathon that we had conducted in the last three months. There was an overwhelming response. Globally there are 2899 applications, More than 250 people have submitted their ideas. The ideas also we have given three topics. One is, using AI and machine learning in customer experience, default prediction and fraud prevention and we got excellent response from them – younger generation, many IITians have participated and all these ideas are available for us and now we are working more and more on that. We already started enjoying the results of whatever we have started. So it doesn't mean that we stop here, we are continuing to move forward and of course, very soon we are going to launch even self-help groups, end-to-end STP process in sync with our RBI innovation hub. That product is also completed, UIT is completed. We are ready to launch that.
- Several initiatives like that we are taking. Our API banking we have strengthened. Though we started with 35 services, now we have extend it. Almost 135 APIs we have made it live. Like that, everything we are doing. Innovations in the IT will continue but at the same time we don't want to just invest and leave it. Periodically we created such a setup that return on investment on this IT is a core focus point for us and we are focusing on that sir.
- **Mr. Sushil Choksi – Participant:**
 - Sir, Canara Bank is always willing to learn and that is going to be your future. How much are we likely to spend to enhance our human resource with these technology abilities which you are creating?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
 - That's what sir, I already told you about business lead conversion, it is incremental growth. So far it is contributing around 10%. But we aim to improve it to around 20% to 25%. So that will supplement it to the staff.
- **Mr. Sushil Choksi – Participant:**

- Sir my question was, you have created the technology, you created a data centre and you are empowering the branches. But technology can do certain things. How are you empowering the human resource who will all the job? How are you...?
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- That's what sir. Again, let me explain to you sir. So our human resources, 84,000 of human resources is our strength. Technology is a supplement to their efforts. I don't think that the technology is a substitute for the human resources. For banking sector, it is a service. Selling the services is mainly human beings, sir. We never undermine our internal talent. I can say that many of these technology initiatives is in-house. So we have created that pool and they are doing that. Now by using these initiatives, by all the 84,000 how it is possible. We have created even virtual classes by using the metaverse and that has been imparted to our training institutes. That is every employee will be trained at least one to three days in every new technological initiative. That is helping them, making them more useful. Even CBDC, entire 84,000 people have been on boarded on that CBDC. Our staff benefits are being created through CBDC. So we are making them familiar with our initiatives so that they can easily use these initiatives and do better to this bank.
- **Moderator:**
- We'll take that as the last question. Thank you sir. Due to time constraints that would be our last question. Thank you sir for giving Antique Stock Broking the opportunity to host this call. We'd like to hand over the call to you for your closing remarks. Thank you.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Thank you. Thank you very much. International business also we are continuing to do that. We have three outlets. We got license from Gift City for the fourth branch which is going to be launched very soon. And with the opening of the Gift City branch, I'm sure that globally whatever the corporate lending we can do, we can do from here only with the limited regulations and I'm sure that will help in increasing our both bottom-line as well as the top-line, and we will continue to do this. Thank you very. Our main focus is consistency. That is I am sure that it is reflecting in our quarter-on-quarter results. Thank you.
- **Mr. Sushil Choksi – Participant:**
- Congratulations and best wishes for 2024.
- **Mr. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Thank you sir. Thank you.

End of Transcript