

Canara Bank Q3 FY25 Earnings Call

January 27, 2025

– **Moderator:**

– K Satyanarayana Raju – MD. We have with us Ashok Chandra - Executive Director, Mr. Hardeep Singh Ahluwalia - Executive Director...

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

– No, Mr. Ashok Chandra is not there. He is gone already to PNB as MD.

– **Moderator:**

– Sorry sir. Mr. Hardeep Singh Ahluwalia - Executive Director and Mr. Bhavendra Kumar - Executive Director, along with other senior management team out here. Without any further delay, I hand over the call to MD sir, post which we will open the floor for questions and answers. Over to you sir.

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

– Good afternoon to all of you sir. So, another consistent performance figures I would like to share with you as on the December Quarter performance. Our global business has grown at 9.3%, stood at 24.19 lakh crore. Our global deposits have grown at 8.44%, stood at 13.69 lakh crore. Our global advances have grown at 10.45%, stood at 10.49 lakh crores. Our operating profit, again, regained and it is reflected more than 15.15% year-on-year growth, stood at 7,837 crores. Our net profit grew at 12.25% year-on-year and stood at 4,104 crores.

– Our PCR has reached all-time high of 91.26% with year-on-year improvement of 225 basis points. Our Gross NPA has come down to 3.34%, year-on-year decline is 105 basis points. Our net NPA has reached to the all-time low in the history of Canara Bank to 0.89%, with year-on-year decline of 43 basis points.

– When we have grown the advances more than 10%, what we have given the guidance double digit at 10.45%, it was led by the RAM credit at 12.32%, and our Corporate has grown at 8.08%. This RAM credit as led by again retail credit with 35.46%, mainly on the housing loan grown at 12.26% and vehicle loan grown at 17.26%. Our earning per share stood at 17.59. This is against Rs. 2 face value. And our fee-based income showed a steady growth with year-on-year 23.31% and stood at 2,185 crores. Our slippage ratio first time it has come down below 1%. We are able to maintain that below 1%, and the year-on-year reduction is 28 basis points, we stood at 0.96%. Our credit cost again all-time low in the history of the Canara Bank to reach to a 0.89% at 8 basis points.

– See, at the initial stages when we commenced out the financial year, while announcing the last financial year results, we have given a guidance in 13

parameters to the investors. The same 13 out of 13 for March, whatever we are given the guidance, out of the 13, 9 parameters already we surpassed or we have achieved whatever the guidance we have given it to achieve by the end of the March. We achieved well within that 3 months earlier only. Within 9 months itself we could achieve that 9 parameters. These 9 parameters are advances growth, then the Gross NPA, Net NPA, PCR, slippage ratio, credit cost, return on equity, earning per share, return on average assets. These are all comfortably we surpassed whatever guidance was given in March.

- In 4 parameters business growth and the deposit growth and CASA and NIM. I want to share it with you that though the growth is steady, but still here we are facing a constraint that the market liquidity is still having a problem. We can garner the term deposits, it is not a big issue for the bank, it's not a concern for the bank, but only thing is, at what rate we have to raise that. Since in the market the rate of interest war is going on, it has become a costly affair. That is why last quarter when we have an 8% of excess SLR, instead of garnering the high cost term deposits, we depended on a window available with the RBI by pledging our excess SLR and raised it around 40,000-45,000 crores. And that we could raise it around only 6.5%. That is helping us in reflecting a better performance in the bottom line. That is the reason actually we have shown a growth of 8.4% in the deposit.
- That has indirectly impacted our guidance of 10% business growth to 9.3%. But we want to continue, because again, we have kept in mind that the LCR guidelines, what are the regulatory guidelines which is going to come effective from 1st April onwards, that may impact our LCR to 12-13 basis points. At this moment, our LCR is 123% as against the regulatory requirement of 100% and within the bank requirement of 105%. We are at 123%. But if you impact that those guidelines are implemented as on today itself, our LCR would have fallen from 123% to 110% or 111%. Just to bring it back to 120%, in the 1st week of the December Quarter, we introduced a two long term tenure term deposits and offered a higher rate of interest i.e. 2-3 years and 3-5 years' buckets, and we offered at a 7.3 and 7.4 for general public. That has attracted quite a handsome of amount. We almost garnered 8,800 crores so far in the last one month, and we will continue to do that, so that that will take care of our shortfall of LCR. Whatever the guidelines we are going to impact our LCR, that 10 basis points again we want to regain by canvassing the deposits under these two buckets. That has impacted our cost on deposits a little bit. That is also has impacted our NIM to some extent.
- So, these are all the few glimpse of that performance I have shared with you. Now, open for all of you sir. You can ask any clarifications. We are there to answer you.
- **Moderator:**
- Thank you, MD sir. We will wait for a couple of minutes for the question due to arrange. If you wish to ask a question, please raise your hand.
- We have our first question from the line of Ms. Mahrukh. Please go ahead ma'am.
- **Ms. Mahrukh – Participant:**

- Yeah, good evening sir.
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Good evening, madam.
- **Ms. Mahrukh – Participant:**
- Yeah, hi. So, just a couple of questions. Firstly, just in terms of deposit growth, how do you plan to boost your CASA? Because it is already down to 30, right? I know there is a lot of competition. Traditionally also your CASA was very competitive, given that your geographical presence kind of matched that low CASA. But now at these levels, how do you boost CASA? And what is the tolerable level of LDR? As in, as of now the domestic LDR is already 78. So, can you take it up to 80-81? What is your comfort level of LDR? That's my first question, and I have two others.
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Okay madam, first question. First, let me answer about that CASA what we are doing. We have recognized our shortfall of the CASA. That's the way the last two years, we have come out with so many new products targeting various sections of the people. But all those products have been deeply penetrated and it has attracted almost 23 lakh new customers in those new products. It has contributed to us almost 17,200 crores incremental CASA deposits, savings deposits alone.
- But what the unfortunate part is, at this moment, when we have introduced, at that time itself, the market liquidity has become a major issue and the market has gone beyond expectations. And simultaneously, industry started offering very high rate of interest. And you are aware, that now presently in all public and private sector banks, the payment platforms have been stabilized. Every individual can shift his surplus funds anytime to either the term deposits or to the mutual funds, or whenever he wants he can redeem it and bring it back to his savings bank account. Under such matured payment systems, the customers nowadays, the tendency became that they are not retaining beyond whatever is the basic requirement of the CASA amount in the savings bank. Remaining entire surplus, they are shifting to the term deposits or even for the other income revenue sources. That is a major concern.
- But our thrust will continue in the CASA. Because recently also, just one month back, in the current month only, we introduced a Canara Crest, that is, to reconnect with our existing high net worth individuals. This is also an innovative product Canara Crest and Canara Crest Plus. This is a targeting our existing customers who are maintaining a well average balance, daily average balance, good handsome average balance. We are making them as a customer of the bank instead of a customer of a branch. We are making all 10,000 branches as a home branch for them. Anywhere if they visit, they get a same treatment in all the 10,000 branches, and we made the Branch Manager as a Relationship Manager for the such high net worth individuals. We are meeting them, we are extending this facility and the initial response is very, very high. So that whatever the steps we are taking in augmenting the fresh

deposits, this initiative of retaining the existing customer and their balances, will help in growing little bit in the coming 2-3 months. But definitely it is a challenge to grow in that. That is why our innovation of products targeting the sections will continue here afterwards also.

– And the second one is, you asked about...

– **Ms. Mahrukh – Participant:**

– LDR.

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

– CD ratio. We are already at 76.65%. We may reach at... We are comfortable at 78% because the 18% is SLR, 4% is CRR. Together it is a 22%. If you remove these 2 things, the 78% is comfortable for us; that is our comfort level. Till that time, we will continue to grow in that. The 78% for us, psychologically is a limit we can absorb. That is our global CD ratio.

– **Ms. Mahrukh – Participant:**

– Got it sir, got it. Okay sir. Sir and my other question is, is there any one-off in interest income because other interest seems to have gone down this quarter? And likewise, in your fee-based income where you have three components - commission, service charge and miscellaneous. You have 3. So, the miscellaneous is a very big amount. It is bigger than the commission, exchange and brokerage, and this quarter it has fallen QoQ. So can you break it down into components or explain why the miscellaneous fell so much? And likewise, if there is any one-off in interest earned, interest income? And also in the provisions there is an investment provision, NPA investment provision of 4 billion. What is that for? Non-performing investment.

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

– Yeah. The first question.

– **Ms. Mahrukh – Participant:**

– First question is one off in interest income. Tax refund or anything.

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

– Let me first answer you about the one-off interest income. Actually the interest income the if you look at that the QoQ and year-on-year basis, interest on loans and advance, a considerable improvement is there because our average advances are growing steadily. But the only thing the last year, last year and this year we used to get a benefit of excess liquidity whatever available in our system, we used to lend effectively in the overnight market or call money market. That benefit we are taking it in. That is the actually other interest income. But this time, since we are using our excess liquidity in increasing the credit growth, we are not lending more in those overnight investments. There we have seen some reduction in that the other

interest income. The one-time interest is, last quarter we got some 320 crores benefit in the NPA account. One NPA account when we were resolving, our recovery towards the interest on NPA is 320 crores. That 320 crores one-time is not available this time. Even with these two conditions, still we could recoup because of our improvement in the interest on loans and advances. That is why, if you see that sequentially, only 200 crores shortfall is there in the interest income. But it is a bottom line with its base. Here afterwards, we strongly believe that quarter-on-quarter there will be a steady growth in NII.

- Then second it comes for that fee income. Free income has grown at 23.31%. Madam, this fee income, one is commission exchange brokerage, whatever it is there. It is a steady growth only which is there. It is not that too much growth whatever it is there. But we are focused on non-fund based business mostly. That earlier was a stagnant. But because now we have centralized that non-fund based business entire thing, in the initial stages, that stabilisation took some time. But now it has started giving the results. Again, we also started cash management and collection centres. That is also giving some good income. That has helped in giving some 100 crores, which we got in that, fee-based income. Earlier last year this vertical was not there. But this vertical has been created in the second half of the last year. That has contributed good income.
- Regarding the miscellaneous income, miscellaneous income is only debit card charges. And that you have to see that... Miscellaneous income you cannot see from sequentially quarter-on-quarter. It has to be looked at year-on-year wise. Because many of the incomes, in the four quarters, some incomes fall in one-time measure of either September Quarter or December Quarter or March Quarter. Let us say that CGTMSE fee collection. That will fall in September Quarter. That is why in September Quarter that it looks that more it is there and there is a fall in that. When you have to compare, it cannot be compared sequentially, you have to compare only year-on-year basis. If you see the year-on-year basis, 570 crore became a 747 crores with a 31% growth. There, I feel that it is in line with the as-expected only.
- Then again treasury income also we got some improvement in the treasury income. That is because as per the latest regulated guidelines, every bank can sell their 5% of held-to-maturity (HTM) securities. First two quarters we are not sold any securities because we want to keep it as we have sufficient incomes. Since we are getting some benefit from the market, we have immediately taken some call. Part of that 5% we sold in this quarter and the remaining part we kept it for the next quarter, the current quarter. That benefit also we got some around 300 crores. That has shown some increase in the treasury income.
- Now regarding NPI. With a true resolution, when we send that when we transfer our account from banks to NARCL, there we are getting 15% only get down cash payment. The remaining 85% we get SRs. That SRs will be accounted in the investments. But only thing, even though it is a Central Government guaranteed accounts, we cannot reverse that provisioning. So it is nothing but increasing the provisioning in NPI, but to that extent, decreasing the provisioning in the NPA. If you

look at that overall, the provisioning is almost same as last quarter. Except that, there is no fresh investment is Slipped to NPI. Hope I've answered all your questions.

– **Ms. Mahrukh – Participant:**

– Yes, sir. So only on that miscellaneous income, it's only debit card?

– **Moderator:**

– Sorry ma'am we have a lot of participants waiting in the queue. If you could please rejoin the queue.

– **Ms. Mahrukh – Participant:**

– Sure.

– **Moderator:**

– We have a next question from the line of Mr. Engineer. Sir, please go ahead.

– **Mr. Engineer – Participant:**

– Hi sir. Congrats on the quarter and thanks for taking my question. Sir firstly, you are one of the largest players in agri-gold loans. And right now, RBI has been talking about some changes in that segment in terms of they have to be collateral free. They have increased the limit from 1.6 lakhs to 2 lakhs. Just any thoughts on how this product evolves, because I presume everything is collateralized. And if RBI wants it to be collateral free for PSL benefit, how will this business evolve?

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

– Sir our internal audit by RBI is concluded, and I have not seen any such comment from that RBI regarding our gold loan in the agriculture. So I don't see any problem at this moment from any regulatory comments on that.

– **Mr. Engineer – Participant:**

– Sir, this full 1.5 lakh crore book comes under PSL, gets a PSL benefit?

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

– No sir. No, no.

– **Mr. Engineer – Participant:**

– Sir, how much?

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

– So 38,000 crores is retail portfolio. The remaining amount is under agriculture.

– **Mr. Engineer – Participant:**

- So that remaining gets PSL 1.1 lakh crore?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Yes sir.
- **Mr. Engineer – Participant:**
- Okay. So there is no issue on that front with RBI.
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Because in the current year audit, the RBI exit meeting also is over, we have not seen any comment related to that particular area. That's why we cannot comment on that.
- **Mr. Engineer – Participant:**
- Okay. And just in general, on the retail portfolio, RBI has been concerned about certain practices; you can't revolve without paying the full thing. They are concerned about bullet loans in gold loans. Any changes to the underwriting we are doing? And also, the 75% LTV, is it only at disbursement or throughout the term of the loan?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- So, that LTV is throughout the loan. There is no question of at the time of disbursement. Because the expectation is, whenever the rate of interest is charged, as and when charged, it has to be serviced. Regarding the retail loans, we don't have any bullet payment type of products at all. It is all equated monthly instalments only. And wherever it is there, if it is a bullet payment, the interest, as and when charged, has to be serviced by the borrowers. Without that, no such product is available in Canara Bank.
- Regarding the regulatory concerns, it is only unsecured loans. Those unsecured loans is not so active in our bank, because against salaries and pension, it is 15,500 crores as on date. So that is a very small amount compared to our total 2,05,000 crores or 2,06,000 crores retail product. It's hardly not even 6% or 7%. And in that, NPA is also less than 1%. We don't give any clean loans other than the salaried class and pensioners, who draw their salary or pension through our bank. We don't give any pre-approved loans. We don't give non-salaried class clean loans and all. So that concern is not there.
- Again, another concern by the regulator is MFI exposure. Our MFI exposure we reduced. One year back it was around above 700 crores, now it has come down to 300 crores. And we have kept... the maximum cap is only 40 crores for MFI. And we are not so aggressive on the lending to the MFI.
- **Mr. Engineer – Participant:**

- Okay, sir, this was very useful. Sir secondly, to the previous question, you mentioned 320 crore interest benefit. Sir, can you just repeat? I think last year something else came...
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Let me say that. In the last quarter, our interest on NPA recovery is 780 crores. 700 crores interest on NPA accounts for that quarter. But generally, on an average, we get every quarter 400 to 450 crores. But in the last quarter, because in one account resolution we got 320 crores towards the interest, we have taken that benefit in the interest income. But otherwise, the average interest on NPA, every quarter we receive 450 to 500 crores. This time also we got around 530 crores.
- **Mr. Engineer – Participant:**
- And sir, that comes in Other Interest Income line item, right?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Yes, sir. It is not Other Interest Income...
- **Mr. Engineer – Participant:**
- Okay, it's on Advances.
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Yes, it's on Advances. Other Interest Income is, whatever you are overnight lending. You do it for whatever the excess liquidity is there. Whatever the excess liquidity you have, you will deploy in the overnight or short-term investments, that income. That income has come down a little bit.
- **Mr. Engineer – Participant:**
- Understood. Sir, just last year, it may be a little early, but what is your deposit growth?
- **Moderator:**
- We have a lot of other participants waiting in queue.
- **Mr. Engineer – Participant:**
- Okay. Okay. Sure. Thank you so much, sir. And wish you all the very best.
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Thank you.
- **Moderator:**
- We have the next question from the line of Mr. Jay Mundra.

– **Mr. Jay Mundra – Participant:**

- Hello, sir. Good evening. Sir, I have some questions. Thanks for the opportunity. One is, apart from this interest reversal, the interest on NPA that was lower by 300 crores, was there any other reason why the loan yields would have declined in this quarter? Any other product where you are seeing maybe where there is a pressure on yield?

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

- Sir, if you look at our yield, quarter-on-quarter if you see that, earlier in September Quarter, our yield was 8.77. Now it is 8.79. There is a 2 basis point increase in the yield. So literally, no product we are compromising in the rate of interest and we are not reducing any rate of interest. Even let me share it with you, that one year back, our corporate portfolio of 4 lakh crore used to give at 7.1 to 7.20. That was the yield, average yield. But now we are successfully, by re-merging, re-jigging that the exposures and all, now we are almost touching 8.5% in the corporate yield. Yield wise, we don't have any concern. We already are in the highest level. But our only concern is the cost of deposit.

– **Mr. Jay Mundra – Participant:**

- Okay. Understood. Secondly, sir, if you can provide the breakup of slippages for this quarter, and outstanding standard restructured books.

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

- Okay, sir. Actually the total slippages are: 800 crores is agriculture, 500 crores is retail, near to the 1,000 crores is MSME. This is a 2,300 crores, sir. No corporate account is slipped to NPA. Now the outstanding restructuring RF1, RF2 and MSME restructuring, total now as on date, standard restructuring is outstanding at 8,600 crores. And already restructured accounts of 4,500 crores slipped to NPA. Total 13,000 crores are outstanding in our books in the restructuring, sir.

– **Mr. Jay Mundra – Participant:**

- Right. And lastly, sir, I think you partly answered on gold loan. So, if I remember correctly, last quarter our retail gold was 28,000 crores, which has increased to 30,000 crores, right? So that product is still growing in a decent way. Is that the right understanding? Is the number comparable with 30,000 to 28,000 crores?

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

- Yes, sir. Actually, it is growing decently because metropolitan cities with stringent LTV ratio, we created a product available to them instead of giving earlier ways to give for agriculture purposes with the documentary evidence. Now we have discontinued that. We are created without any documentary evidence, if anybody wants to avail a secured personal loan, they can avail that secured personal loan. So, that product has attracted the attention of many metropolitan borrowers. That is giving a continuous growth of almost 15%, sir.

- **Mr. Jay Mundra – Participant:**
- Any changes that you have to make to the product in terms of, let us say, disclosure of end use or maybe rollover? I mean, do the customers rollover? They have to necessarily pay the entire outstanding?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- No, sir. We are 100% complying the RBI guidelines. No rollovers in these accounts.
- **Mr. Jay Mundra – Participant:**
- Sure, sir. I will come back in the queue.
- **Moderator:**
- We have a next question from the line of Mr. Ashok Ajmera. Mr. Ashok Ajmera, please unmute yourself.
- We have a next question from the line of...
- **Mr. Ashok Ajmera – Participant:**
- I'm here.
- **Moderator:**
- Okay, sir. Go ahead, please.
- **Mr. Ashok Ajmera – Participant:**
- Give me some time, because the technology takes some time. Good evening, sir. Good set of numbers as regards the profitability is concerned, sir. Operating profit is good. And in spite of the difficult times, once again, coming in the banking, you have performed well on the profitability front, because you managed it well. Now, sir, my only concern, which is a general concern nowadays in the entire banking sector, is the growth in the business. You have answered in your initial remark only, and especially the credit growth. Now, if you look at the current nine months, I think both on deposit front, of course, we are almost half and if you calculate the total FY25 and what is left now in the remaining 2 ½ - 3 months, then on both the fronts, how do you plan to meet the given targets, sir? Because then, there will be a lot of pressure during this quarter, both on the deposit mobilization side also and the credit side also. And you've already consumed a major part of your excess SLR also.
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- No, sir. Actually, let me say that even today, our excess SLR cushion is still there, because partly we are even onward lending to the overnight deployment, whatever. Because we are getting in excess SLR by 6.5. If the market is paying 20 to 30 basis points extra, we are lending there. That benefit we are taking it. So, if my credit growth is picking, what we have given the guidance is 10%, we are growing at

10.45%. I am sure that the 10.5% we can definitely easily achieve. So, whatever the given target under the advances growth, 10.45% may not be a big issue for us to meet that requirement. I do not think that because we have enough cushion in the RBI window, we do not have any problem in meeting that requirement.

- But at the same time, I do not want to cross my CD ratio beyond 78%. That is why we are putting our entire energy again on the liabilities for this entire quarter. We have already given calls to them. And wherever we are addressing the people, we are giving a special thrust on that campaigning mode on the liability side. Its not that we're only focusing on CASA, we are even interested in the retail term deposits. So, retail term deposits, actually in the September Quarter, there was a muted growth. But in the December Quarter, we've grown at least 5,000 crores. And now as on date, we have grown at least 15,000 absolute numbers in the retail term deposits. We aim to grow in the retail term deposits, as well as the CASA, sir. So, we will continue to do that. I don't think it will impact my credit growth, because our given targeted growth is only 10%. We have already achieved 10.5%. And business growth also 10% is achievable, because if you can focus on that 8.4% deposit growth, if you cross 9%, we'll achieve the business growth also.

– **Mr. Ashok Ajmera – Participant:**

- Okay sir, point well taken. My second question is on the recovery side, both in the normal recoveries, and also the recovery from the written off accounts. So, what do you think now this quarter is going to be? I mean, is it because you are major thrust, as you said will be on the deposit side in both quarter on the recovery front, how do we spend this quarter in total FY25, both from the normal recovery and in the written off accounts recovery and having said that, after that on the on SRs, you know like you said that 85% of the SRs and only 15% of the cash recovery and especially in case of NARCL, even if it is government guaranteed, we do not take it as a new income. So, in this quarter, how many such cases have taken place and how much amount of recovery and SRs which we have gone in recovery in SRs?

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

- Sir, first let me say that about the recovery of the recovery steps, what we have taken, of course NCLT is one aspect, but the SARFAESI is another aspect. Major thrust is OTS and DRT also we are pursuing it. See, when you focus on DRT, SARFAESI, NCLT, ultimately, people will come forward and try to settle the accounts under OTS. So, our recovery is more through OTS is more compared to all other things. Even if you see that the existing recoveries plus upgradation total together in the current quarter, the December quarter we could achieve around 3600. If you say the cash recovery alone it 3100 cores. Out of 3100 crores, we got the benefit of NCLT of 653 crores. The remaining all we got it through other modes of recovery. The same tempo if you have seen that we have shown to the earlier also that in September also our recoveries are more than the slippages. Whatever our focus, we are shifting to the liabilities is not from the recovery side to the liabilities. Recovery sections are separate. Teams are separate. We don't want to mix those teams into that liability side, but the marketing teams, whatever it is there for business growth

there, we want to focus divert them into a liability focus, but the retail, the recovery and the slippages teams exclusively earmarked for these two parameters will continue to work on that, and the March quarter also, we expect that the same type of performance whatever we have shown on the December quarter, the slippages we could reduce it to below 2400 crores and recovery should be more than 3000 crores that we will continue. We are expecting even 2000 crores in the technical written off accounts. The remaining is in the normal NPA accounts, the cash recovery Sir. and regarding NARCL shifting, the current quarter, we are expecting we may get some 500 to 600 crores benefit. They identified some accounts, but all consortium banks have to come forward and everybody has to give the clearance then only it happens. But we are also wherever we identified, we are negotiating with the NRCL in two accords. We got positive response. We are hopeful of the two accounts. If we do the two accounts, we may get a benefit of 500 to 600 crores Sir.

– **Mr. Ashok Ajmera – Participant:**

– So, this 500-600 crores, the outstanding, I mean or the recovery?

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

– No, Sir, it is not the outstanding. It is a recovery what we are expecting. But out of that again, cash recovery will be only 15% Sir. The remaining entire thing will be in the form of SCRs.

– **Mr. Ashok Ajmera – Participant:**

– Okay, Sir. Sir, last point is on

– **Moderator:**

– Sir, we have a lot of other participants, Sir. Please come in the queue.

– **Mr. Ashok Ajmera – Participant:**

– Okay, alright, alright.

– **Moderator:**

– Thank you, Sir.

– **Mr. Ashok Ajmera – Participant:**

– I will come back in the second round. Thank you. Thank you and all the best.

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

– Thank you, Sir.

– **Moderator:**

- We have a next question from the line of Mr. Jugal.
- **Mr. Jugal – Participant:**
- I hope I'm audible?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Hi Jugal Ji.
- **Mr. Jugal – Participant:**
- Thank you, Sir. Thanks for the opportunity. My first question is regarding the banks density for advances and just wanted to know how it is trending and the RWA density of our international advances portfolio.
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Sir, actually our total global CD ratio is around 76.5% and we see that because CRR is 4% and the SLR requirement as on date is 18%, total to the 22%. So, we don't want to cross 78% in a normal condition, though we have support in the form of own funds and even refinance funds and even infrastructure bonds and all those things, but still in a normal course, we don't want to cross our CD ratio. Beyond 78%. With that to the CD ratio, we are at 76.5% at the present. Our growth also projected is only at 10.5% to 11%. We will be well within that 78% for the March. The global only I shared with you, domestic may be little bit one or two percent for here and there may be happened. That is only for overseas.
- **Mr. Jugal – Participant:**
- Sure, Sir and what proportion of our total advances are externally rated?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Pardon.
- **Mr. Jugal – Participant:**
- What proportion of the total advances
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Externally aerated, actually we have – see external rating is mandatory in our bank as per our policy, it is 25 crores and above. So, in all those things, 80% of our exposures are A and above.
- **Mr. Jugal – Participant:**

- Sure and Sir, if you could just guide on the impact was proposed RBI guidelines on LCR?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Sir that proposed RBI guidelines of LCR is going to come, expected to come effective from 1st April onwards. As on date our LCR is 123% and we are assessing that if we implement those things as and today it may impact our LCR from around 11 to 12 basis points. So, our LCR may come down to 110 to 111. But to take care of those things again, we introduced in the last quarter for raising the deposits at a longer tenure that is a two to three years and three to five years buckets we introduced and we are offered a higher rate of interest at 7.3 and 7.4. We already garnered more than 8000 crores in this and we want to continue to garner in those two buckets at least for next two months so that again, we can restore it back by LCR to around 115% to 120%.
- **Mr. Jugal – Participant:**
- Sure, Sir. Sir, could you help us with the total exposure in HAM projects and also ethanol projects and other biofuel-based projects per se?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Yes. Our exposure to that HAM projects is there around 25,000 to 26,000 crores and everything is standard. We almost finance, we are a part of financial closures of 70 such projects. But there we have some internal policy that generally we take it up A and above rated companies only. But now again, we are actively considering monetization of those HAM process which are started taking the - receiving the annuities that is also is in the market that also we are actively participating in that and ethanol also whatever the actually it is there its more than 2000 crores it is there. Compressed biogas also we are actually considering that.
- **Mr. Jugal – Participant:**
- Sure. Sir, if you would possibly help us with the total exposure to renewable sectors like solar and wind energy per se?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- The exact figure, if it is required that our CRO will share it with you.
- **Mr. Jugal – Participant:**
- Sure.
- **Mr. Uday Sankar Majumder – CRO, Canara Bank:**
- See, with regard to renewal, solar and energy together, our exposure is around 6500 crores

- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- That is actually outstanding what he is telling about, but the sanctions are there around 15,000. These are all project funding it gradually, depending on the progress of the sanction, the progress of the projects only it will be disbursed. As on date, outstandings are 6000 to 7000 crores are there plus 2000 crores ethanol is there, so total 9000 crores is there, but the sanctions are there. Total sanctions if you consider that exposures are more than 15,000 crores.
- **Mr. Jugal – Participant:**
- Yeah, makes sense. Sir, if you could help us with the exposure to Kerela and Telangana government and specifically the state PSUs, if you could help us out with the same?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- It's specifically disclosing outside it may not be correct, but we have state wise risk rating is there, state wise exposure limits are there. These are all the limits will be fixed by the boards and boards sub committees. We are well within that sub limits.
- **Mr. Jugal – Participant:**
- Sure, Sir. Sir, my last question is on the potential impact of new RBI guidelines on operational risk and interest rate risk in banking loan?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Our CRO will explain to you Sir.
- **Mr. Uday Sankar Majumder – CRO, Canara Bank:**
- See the new guidelines on RBI is to be I mean date is yet to be announced, but new guidelines have come. RBI is yet to announce it and as per the guidelines, if the impact of interest rate change is beyond 15% of my Tier 1 capital, then to that I have to provide additional capital in the pillar 2. So, as of now with the rough estimate, it is below 15%, so we need not provide any additional capital as far as pillar 2 is concerned. Yeah. It is below that, below 15%. So, there is no impact. As of now, there is no adverse impact one the new IRRBB guidelines implemented.
- **Mr. Jugal – Participant:**
- Thank You, Sir. Thanks a lot.
- **Moderator:**
- Thanks Sir. We have our next questions from the line of Suraj Das?
- **Mr. Suraj Das – Participant:**

- Yeah. Hi, Sir. Thanks for the opportunity. Sir, two Questions. First one is, in terms of subsidiary monetization, I mean, what is your plan? And the second one, I think in terms of the subsidiary business overlap, what has been your response and in case the current guidelines have to come in the same shape and form, what would be your action plan?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Sir, actually the first subsidiary, disinvestment is already we have proposed a disinvestment in two subsidiaries that is 1 - Canara Robeco Mutual Funds and Canara HSBC Insurance Company. These two cases may already all regulatory required permissions we have obtained. Now, we have communicated to that respective boards to take it forward for that coming out of that public issue. With respect to boards have created sub-board committees and for close monitoring of this progress. They are all doing their job and now at this moment, I think bankers have been appointed, so it is under as expected lines and we are expecting that both the companies we may come for the IPOs in the next financial year. The second one is if the RBI guidelines as per RBI guidelines, a common activity between the parent company and the subsidiary is only for us Can Fin Homes, but there are no timelines to be stipulated by the regulator. We are watching that market, if at all we feel that we get enough pricing, we expect that our pricing valuation of that company should be in the four digit. Whenever we expect that the share price crosses the four digit, we may think of coming out of that.
- **Mr. Suraj Das – Participant:**
- Sure, Sir.
- **Moderator:**
- Thanks Sir. We have our next question from the line of Mr. Rakesh Kumar.
- **Mr. Rakesh Kumar – Participant:**
- Hi, Sir. Can you hear me, Sir?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Yes, Rakesh Ji.
- **Mr. Rakesh Kumar – Participant:**
- Yeah, thanks. Thanks for the opportunity, Sir. Sir, just I was a little confused with the numbers, that you know you mentioned in the questions that you know you have changed the asset composition in favor of loan and reduced the cash balances number and that is pretty evident in the number as well. But I am not able to see that you know the yield on fund has gone up. So, that has not happened even though there is an increase in the yield on advances. So, with the asset composition, that could have happened.

- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- See, let me see that, Sir. Actually, this exercise we have started from December, last December to June. When we are done this rejigging of that low yielding advances have been we have taken it back. We started doing that high yield which is 8.6 to 8.79, 19 basis points increase is there in that yield on advances. The 19 basis points is not a small amount. That is happened only because of these things. Otherwise, our MCLR there – our RLLR there is no change for the last two years. Then even then, how the yield has increased, that increase in the yield is only because of that, Sir.
- **Mr. Rakesh Kumar – Participant:**
- Sir, I was referring to the slide information that we have. Anyway, I understood your point. Second thing Sir, last quarter we had the LCR of 130%. Now, we have you mentioned 170% or 173%. So, do
- **Mr. S K Majumdar – CFO, Canara Bank:**
- Rakesh ji,
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Just one minute, Rakesh ji. Our CFO wants to share something to you.
- **Mr. S K Majumdar – CFO, Canara Bank:**
- Your question is when yield on advances have gone up to that extent, how yields of funds have not gone up, isn't it? That is your question?
- **Mr. Rakesh Kumar – Participant:**
- And with the change in asset composition in favor of
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- We are reaching that composition. I answered correctly. Now tell me, survey LCR related, LCR, know?
- **Mr. Rakesh Kumar – Participant:**
- Yes Sir. What I was saying that you know, we have switched separated some of the
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- See the LCR earlier 130 to 123 why it has come down, that is your question, Sir?
- **Mr. Rakesh Kumar – Participant:**

- No, no.
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Generally, LCR will
- **Mr. Rakesh Kumar – Participant:**
- No, no, Sir.
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Last quarter, we announced that 130.
- **Mr. Rakesh Kumar – Participant:**
- Yeah. So, that has happened. What I am thinking is that do we plan to further you know shift cash balances to advances considering that LCR guideline as you are mentioning might come and we have LCR at around 123%. So, do we have room for that to do it further?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Sir, as per regulatory requirement, one has to maintain 100%, within that our bank we kept our board has kept an internal ceiling of 105 as against requirement of 105, already we are at 123%. So, even if the RBI new guidelines implemented that will impact only 11 to 12 basis points, which may come down to 110 to 111. But we do not want to be play or this business at such a smaller gap. That's why we have already taken initiatives to garner the more deposits in the longer tenure buckets that is 2 to 3 years and 3 to 5 years, which we are offering the higher rate of interest and we already started garnering the deposits. We garnered more than 8000 crores in the last one month.
- **Mr. Rakesh Kumar – Participant:**
- And last question Sir, is there any classification issue in the Commission exchange brokerage income line?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- No, Sir. There is no such a miscellaneous income. You are aware that last year RBI guidelines have come that penal interest should not be charged in the interest side. It has to be booked in that other charges. So, that's the accounting standards have been changed compared to last year to this year. So, to that extent, interest income has come down and to that extent the miscellaneous receipts are increased. Except that remaining things are only because of the business growth, nothing else that comes approximately 150 crores or 160 crores.
- **Mr. Rakesh Kumar – Participant:**

- Okay. Thank you. Thank you so much, Sir.
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Thank you, Sir.
- **Moderator:**
- We have our next question from the line of Mr. Mahrukh. Mr. Mahrukh? You can unmute yourself now. We have our next question from the line of Mr. Sushil Choksey.
- **Mr. Sushil Choksey – Participant:**
- Good evening and congratulations. Yeah, Mahrukh go ahead.
- **Mr. Mahrukh – Participant:**
- Thank you, Choksey saab.
- **Mr. Sushil Choksey – Participant:**
- Sir, congratulation to Team Canara for very stable and positive result. Sir, you just highlighted that you are open to monetizing Can Fin Homes. Now, if you are looking for a strategic premium because you are saying that you are looking for ₹1000 price with the current market condition which is in a little correction or a consolidation mode, whether it's a housing finance sector or overall financial market. Are you open for any strategic buyback?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- No Sir. Actually, because the RBI has given a guideline on the subsidies that a common activity should not be there, but there are no for existing organization there are no timelines for closing down those things. So, since it is opened for the individual banks to take a call on that for us, we know the internal strength of that company. We have 29.9% shareholding in that company. We feel that we have initiated something with the help of that board and that current top management. Some initiatives we have done in cleaning at the top level as well as in their functioning that will start yielding the results in a one or two years. We want to wait for that one or two years when it results are coming out the real value will come out. When the real value comes out, then we may think about that this, whether it has to be strategic sale or whatever it may be.
- **Mr. Sushil Choksey – Participant:**
- Sir, but if somebody is working with a positive outlook that you have done, the cleansing, the value is already there ₹1000 or ₹1200 or ₹1100, whatever may be the fair value and because you are offering 30% which enables them to make an open offer too, so you can increase your stake on the market and the market will tender

the shares. In such scenario, will we participate or will wait for one or two years only?

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

– Sir, it is actually as an individual, these decisions cannot be taken as at this level, but it generally these options will be discussed in our strategy meet generally happens once in a year at a board level, and this year also it will be scheduled either in March or in the April. During that board meeting, it will be discussed thoroughly. Then as per the board directions, we will proceed and we will share it with you, Sir.

– **Mr. Sushil Choksey – Participant:**

– Thank you for answering that question. Sir, next is non-interest income, treasury was concerned and written off accounts are concerned. How do you see that panning out in the current quarter?

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

– Sir, the Treasury meet actually whatever the benefit, we got it as a part of that 5% sale of HTM Securities that benefit we have taken because all other banks have taken earlier, we had not taken, we had kept it pending and now this December quarter also we have not taken entire 5%, we have not sold it, part of that only we sold it. The remaining balance we can sell it in this quarter. That benefit always will be there that we will take the benefit out of whatever is the benefit is there. Second, recovery and technical written of accounts will continue. We are expecting this quarter also will be there around 2000 to 2100.

– **Mr. Sushil Choksey – Participant:**

– So, what are the number outstanding on written off accounts?

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

– We have around 68,000 crores, Sir.

– **Mr. Sushil Choksey – Participant:**

– Okay. Sir, if the yield on G-Sec is in the region of 6.5 to 6.7, the profit can match up the previous quarters?

– **Mr. K Satyanarayana Raju – MD, Canara Bank:**

– We will wait and watch Sir. Let us see that what will happen.

– **Mr. Sushil Choksey – Participant:**

– And do you anticipate to monetize your subsidiaries, which you're already looking towards Canara Robeco in this quarter or you think it will go into the next quarter?

- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- No, Sir, not in this quarter. Sir, that will be in the next financial year.
- **Mr. Sushil Choksey – Participant:**
- Sir my last question,
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Because already the merchant bankers have been appointed. Now, it is in their hands once they say that we are ready, then we will think about it.
- **Mr. Sushil Choksey – Participant:**
- Okay. Sir, I know you answered the majority of the participants question on CASA. If we move well on CASA, I think we'll outsmart majority of the comparative banks. So, what acceleration program other than what you garnered in deposits, new schemes can be done from the geography where we are present. Because it's difficult geography where CASA is concerned, because people generally don't keep idle balances because they are smarter humans, what can we do differently that will help us to grow better way?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Sir, nowadays every year we want to open some 250 to 300 new branches. These new branches we are planning to open well the CASA of potential is there especially where our presence is little comparatively lower and that's why the work compared to the South India, we are opening more in the North and Eastern side that branches and last year we opened 211 branches. This year already we opened 180 branches and we are targeted for 250 branches. This will continue for 2-3 years and these thousand branches, if you once open, definitely create a mark in that, that the strategy anyhow, it is continuing that Sir.
- **Mr. Sushil Choksey – Participant:**
- Thank you, Sir. Thank you for answering all my questions and best wishes to Canara Bank team for the years to come.
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Thank you, Sir. Thank you. Thank you so much.
- **Moderator:**
- Thank you, Sir. We have our next question from the line of Mr. Arvind Dara.
- **Mr. Arvind Dara – Participant:**

- Hi, Sir. Thank you so much for the opportunity.
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Hi, Arvind.
- **Mr. Arvind Dara – Participant:**
- Hello Sir. You mentioned about, you know, maintaining CD ratio below 78%. If the deposit environment continues to be constrained, of course we may continue to remain on you know CD ratio maintaining CD ratio below 78% or would be flexible in that aspect. That is my first question. And the second question is on expenses. This year we have been able to like manage expenses you know much below and in much more controlled manner and can we expect you know expenses to be like in line or closer to income growth next year? These are two questions.
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Set first goal. First, let me say that liability, Sir, liability for us also, earlier also I shared something against that. It is not that CASA we are finding it difficult to garner the more CASA, but liabilities we are not finding difficult to garner it. Only thing you have to shut higher rate of interest which we are cost consciousness, that's why whatever it is required we are garnering that liabilities. When we have decided that our CD ratio is 78%, there afterwards our incremental deposit and advances we will ensure that we will match these two things by if at all if necessary, we may have to increase the deposit rate. That's All. Otherwise, see it is not difficult for us to garner the deposit only thing we want to be cost consciousness. We don't want to shut the higher rate of interest. That's why when you have surplus cushion in your system, we want to take maximum benefit out of it. Once that is, if it is coming to the exhaust it, then we may go ahead with that offering a higher rate of interest and garner the deposit, but at this movement, I don't see any such issue. The second one is expenses. I don't see any further increase in the expenses suddenly, but the annually suppose 6% to 7% annual growth in expenses is likely to happen, but that's only to that extend I'm expecting that. Otherwise, we will continue with the cost to income ratio around 47%-48%.
- **Mr. Arvind Dara – Participant:**
- Sure, Sir and just one more question from my side. SARFAESI, especially in the system level, the unsecured loans you know personal loans, you know credit cards and these are the segments where you know multiple companies have faced issues because of the higher growth you know like you know when people say like over leveraging you know with the particular part set of borrowers that led to issues that we can see in different companies. Like I have similar question for MSME Sir, like in the MSME, in the system as well as what the bank has, you know grown in a commensurate rate in the past few years, do you see any signs of, you know over leveraging or any issues there which could be propping up there?

- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- No, Sir. I don't see any such leverage in MSME. Its last two years back, we have revisited underwriting standards of all our MSME products and we have centralized the processing of those accounts. We created each regional office, 177 regional offices. We created a hub for processing the MSME loans. That has started giving the results. That's why slippages are under control. That's why gradually our NPA and our MSME is coming down. I don't see any that too much stress on that except one or two small government sponsor schemes or anywhere the stress is there, but that is well within our risk appetite only. I don't see anything on that.
- **Mr. Arvind Dara – Participant:**
- And just one last thing, if I can
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- And we don't lend too much to, we don't lend too aggressively in anywhere and we are not active in portfolio buyout of any portfolio. Our total portfolio buyout outstanding is only entire bank all including retail MSME everything together is only 1600 crores. Our exposure to MFI is only 300 crores. So, our even co-lending is also less than 1000 crores. So, we are not too aggressive on that lending. Instead of that, we are actively making involve or branches to generate the loans and that this year we are expecting that we will touch the 10%. That's double-digit growth in the MSME. Last year we were at 7%-7.5%. This year we are confident that we may touch 10%.
- **Mr. Arvind Dara – Participant:**
- Sure, Sir. Thank you for the elaborate explanation. Just one last thing, if I can squeeze in, with respect to recoveries from written off accounts, Sir can we expect similar data for next two years also?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Yes, this current quarter also I already reiterated earlier whatever the last quarter we got around 2000 crores, this quarter also we are expecting that the 2000 crores will be recovered.
- **Mr. Arvind Dara – Participant:**
- Sure, Sir. Thank you.
- **Moderator:**
- Thank you. We have our last question from the line of Mr. Akhilesh.
- **Mr. Akhilesh – Participant:**

- Hi, team. Good evening. Sir a couple of questions from my side. Firstly, I'm sorry if this is a repeat question because I got disconnected in between. Firstly, if I look at the SMA 2 book, you had called out 2 state government accounts in the last quarter in the SMA 2 book. One more is the Andhra based PSU in the steel sector and the other one was a state government account. What is the update on those accounts as of now?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Now, as on date as on December 31st, these two are appearing in the SMA 2, but as on date these two has come out of even SMA. These are all now not even in the SMA 0.
- **Mr. Akhilesh – Participant:**
- Even the steel account?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Yes, Sir. Both Steel Authority and Telangana. Whatever it is there.
- **Mr. Akhilesh – Participant:**
- Okay got it. Sir, secondly, the last participant was also checking about the outlook on recoveries for the next two years. Is there some sense that you have in terms of trend?
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- See two years period is too long period to predict, but I can tell that the present Canara Bank said I can tell that I cannot comment on the industry wise because we are conscious, we are little conservative in high-risk portfolios. Next one year and one and half year, whatever it is there, I am sure that our slippages will be less than our recovery and upgradation.
- **Mr. Akhilesh – Participant:**
- Got it. Sir and just lastly, if I look at the trend on other interest income that has been trending downward, you expect the same
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- It has reached to the bottom, Sir. Further down, we don't expect in this.
- **Mr. Akhilesh – Participant:**
- Okay Sir, just one last question, if I can squeeze in. The other OPEC seems to be a bit volatile in the last few quarters, what is the cause for this?

- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- No Sir, actually, you may be remembering that last continuously three years we are investing heavily on the IT. So, when you are investing though it is a CapEx, next year onwards it will convert into an ATS and all service charges and all you have to pay it. So, that's the only thing, except that nothing is there, Sir. And we are also opening new branches, you can accept it last year onwards. Previous yearly, we were not opening. Last year we have opened 211 branches. This year also, we are opening 250 branches that also will add to our OpEx to some extent. When you want to grow in your CASA, you have to bear with that to possible extent.
- **Mr. Akhilesh – Participant:**
- Thank you for answering my questions.
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Thank you, Sir.
- **Moderator:**
- Thank you, Sir. We will take that as the last question. Over to you Sir, for your closing remarks.
- **Mr. K Satyanarayana Raju – MD, Canara Bank:**
- Thank you. Thank you, one and all. We will continue to perform consistently. That's what actually we always share even at the beginning of the year and even today, after three completed quarters, we approved that we are consistent in our performance in all the key parameters. Thank you, Sir. Thank you, one and all.
- **Moderator:**
- Thank you everyone. That concludes the call.
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End of Transcript