

Canara Bank Investor Meet

8th May 2024

- **Moderator:**

- Good evening everyone. We welcome you all to 4Q FY24 earnings web call of Canara Bank. Thank you, Sir for giving us this opportunity to host the call. Today, we have with us; Mr. K. Satyanarayana Raju, MD & CEO. Mr. Debasish Mukherjee, Executive Director. Mr. Ashok Chandra, Executive Director. Mr. Hardeep Singh Ahluwalia, Executive Director and Mr. Bhavendra Kumar along with senior members of the team. Without further ado, I hand over the call to MD Sir for his opening remarks post which we can open the floor for Q&A.

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

- Good evening to all of you sir. So I am presenting here before you few highlights of the just concluded fourth quarter of the financial year 2023-2024. So our global business has touched all time high of Rs. 22.73 lakh crore with a year-on-year growth rate of 11.31%. Our global advances has grown at 11.34% stood at Rs. 9.61 lakh crore. Our global deposits have grown at 11.29% year-on-year and stood at 13.12 Lakh Crore. The deposits in the fourth quarter has grown considerably. As we shared with you during that announcement of the third quarter results that we focus this quarter more on the liability side to see that our incremental CD ratio in the current financial year will be well within 100% which we could achieve. That has helped us in controlling the cost of deposit as well as in the improvement of the CASA percentage. Our net profit stood at Rs. 3,757, all-time high in the history of the bank at a year-on-year growth rate of 18.33%. With this, the Board has permitted us to propose a dividend of 161% of paid up capital as against last year dividend of 120%. Our net interest income has increased 11.18% year-on-year and stood at Rs.9,580 and the return on asset has further improved to 1.01% and year-on-year improvement is 20 basis points. Our PCR has improved to 89.10% with year-on-year improvement of 179 basis points. Our credit cost is again maintained below 1% that stood at 0.96% with a year-on-year improvement of 21 basis points. The gross NPA has stood at 4.23% year-on-year, a decline of 112 basis points. Our net NPA stood at 1.27%, year-on-year decline of 46 basis points. 11.34% growth of advances that we announced, is led by our RAM sector grown at 13.52% and stood at Rs. 5, 41, 489 crore out of 9,60,000 crores, and this led by retail credit at 11.68%, agriculture and allied activities have grown at 18.69% and the housing loan has grown at 10.81% and vehicle loan grown at 14.03%. Our year-on-year earnings per share has improved 37.26%, stood at 80.23 compared to last year earnings per share which was at Rs. 58.
- Now about the net interest margin. Last year total cumulative, last entire financial year NIM was 2.95 as against that current year NIM cumulative is at 3.05% with an incremental improvement of 10 basis points which is also one of the remarkable performance I can say under the present hard conditions for the banking industry at a high interest rate regime of the liabilities. Even that liability side rate of interest has steeply increased. We could manage by managing the credit portfolio. That's the

reason we could manage in the last fourth quarter, our quarter-on-quarter, incremental growth in the yield on advances were 11 basis points versus the increase in the incremental interest expenses is 8 basis points. This we could achieve it. That's why we could achieve 3.05% percent, for the fourth quarter itself, our NIM was 3.07%. This we could achieve where we already shared earlier also, two, three quarters back that we have some 60,000 to 70,000 crores corporate exposure at much, much cheaper rate which we lent 2 years back because to invest our surplus money which we want to gradually reduce that exposure and to avoid the stress on the margins. We are successful in that in the current quarter also. We reduced such exposure to some extent, around 10,000 to 13,000 crores that has helped us in improving our NIM and the yield on advances.

- These are all the few ratios that we are sharing. I think now it is open for you, if at all, if you want to ask, because this presentation has been already shared with all of the investors as well as online also. On our website it has been displayed. Now the forum is open for all the analysts for your clarifications and queries that you want to raise. And along with me, all my four executive directors are with you now. The forum is now open for the discussion.

- **Moderator:**

- So the first question we have from the line of Ms. Maruk

- **Ms. Maruk – Participant:**

- Hello, sir. Hi. Good afternoon sir.

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

- Good afternoon madam.

- **Ms. Maruk – Participant:**

- Yes sir. So sir, I have a couple of questions. My first question is on your guidance that relative to what you have achieved in FY24 on credit growth, your credit growth guidance is slightly softer for next year and everyone is quite bullish for the next few years, in terms of loan growth in retail and corporate. And then even on margins, your guidance of 2.90, that's like 17 basis points lower than the fourth quarter exit rate. So these are some questions on the guidance portion. And then I have a question on the new RBI draft circular. First your comments. And then companies like L&T Finance, REC have actually quantified the impact from the draft circular based on their initial estimates. So, if you could give any back of the envelope calculation.

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

- Yes madam. Let me clarify regarding our guidance in that advances growth. Generally whenever we give guidance, we give conservatively only. But we want to outperform what we have given to that guidelines. Earlier also we had given 10% and you can see that we have grown 11.34% even after rejigging the pricing of the corporate portfolio. And this year also what we have given, 10%, is a minimum growth. And we are sure

that we will grow around 12% in the current financial year. But the guidelines, it's a practice of this bank for last three years that we are a little conservative on the guidelines. But when it comes to the performance, we are outperforming in every quarter-on-quarter and beyond that. Even NIM also. Last time if you see, our NIM is 2.95% - the annual NIM. But the current year under such difficult conditions also we are the only banker where we could show the improvement in the NIM with ten basis points. Our annual NIM is 3.05. Of course, fourth quarter it was 3.07. The 2.90 is only a guidelines given to you. It's the minimum. But we are sure that we will maintain at 2.95% to 3.00%. This is subject to presuming that the present tightness in the liquidity will continue throughout the year. If at all that liquidity eases once the elections are over, naturally that will impact in our cost of deposit and automatically it will impact on improvement in the NIM.

- This is a basic minimum, based on the existing circumstances, we have given it, madam. But we are definitely confident that we can perform. What we are doing is outperform in the last several quarters. The same will continue in the next quarters also. We are not looking at any low traction in the credit, either in the RAM side or in the corporate side. Only that lower credit growth what we have shown is, because, two years back we invested Rs. 60,000 to 70,000 crores. When we have a surplus in our system, we invested at a very low price to some big organizations which presently is not feasible to continue at that price hence, slowly, whenever it is coming for the renewal, we are reducing our exposures to that borrowers. That is the reason it is looking like the growth rate is low in the advances side. But for all practical purposes, for the new sanctions and all, compared to last year, this year new sanctions are much more than what the last year sanctions. So growth will be there, demand is there. But only thing because we are rejigging our balance sheet in the low pricing, we are making it to reasonable pricing. Because to maintain that margins it looks that it is a little lower side on the credit growth.
- Your second question is on the RBI draft guidelines. Madam RBI draft guidelines is still at a premature stage. It was provided only two-three days back. Preliminary we tried to assess it. But we have several doubts on that the guidelines because the guidelines never spoke about what is the floor limit for that project. We have to calculate every small project also, whether it is 1 crore or 10 crore or 100 crore or 500 crores. That clarity is not there. Unless we get those clarities from them, it will be difficult to assess what is our impact on that. But whatever the impact it is, whatever be the guidelines and if it is implemented as it is also, we are very much well prepared. Because you know that last time when the risk weight is on the NBFC exposure has been increased or improved by the regulator we were the first banker partly we shared with our borrowers. This also will continue whenever there is an improvement in these things. Suppose provisioning norms are increased, we recalculate. Naturally. Part of that we share with our borrowers and the remaining things we will observe it. I don't see too much pressure on our bottom line or even on the capital side, madam.
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- **Ms. Maruk – Participant:**

- Thank you, sir. Just what is your marginal cost of deposits? Incremental cost of deposits?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Madam, incremental deposit, which is the term deposits, on an average 6.50 to 6.75 is there. But because the CASA is there and the previous outstanding deposits at a lower rate the cost of deposit last compared to quarter is increased from 5.40 to 5.50. Now the cost of deposit, as on date it is 5.50. But from last quarter you see that only 8 basis points has increased there. However yield on advances has increased from 8.60 to 8.71. That means 11 basis points has increased. That's why we are able to show the 3.07 NIM as against our projection of 3.05.
- **Ms. Maruk – Participant:**
- Got it, sir. Okay, sir. Thank you. Thanks a lot.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Thank you, madam.
- **Moderator:**
- Thank you. The next question we have from Ms. Mona Khetan, request you to unmute yourself.
- **Ms. Mona Khetan – Participant:**
- Hello?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Hello.
- **Ms. Mona Khetan – Participant:**
- Yeah. Hi sir. Good evening.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Hi Mona madam.
- **Ms. Mona Khetan – Participant:**
- Just a few clarifications. So firstly, when I look at your CA balances, it was over 30% this quarter. So what exactly has driven this higher?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**

- No CA percentage is floating funds, madam. Whenever it comes for the floating funds, you get that benefit. But we have taken some new schemes also in the CA. Actually two new schemes we introduced six months back. Those new schemes also have started earning because we made it free of charge for every transaction. In that we have given several customer friendly services and last year we also introduced API banking for corporates. And we also introduced a mobile app for the corporates. These are all some of our initiatives, both product side and the future side and the platform side. It has helped us in giving that boost in that current account. But one or two institutional accounts where we could canvas the state governments or the central government accounts, there also some flowed funds have come. That is the reason. But we have seen the steady growth in the savings individuals accounts. Savings individuals for year-on-year basis we have grown more than Rs. 17,000 crores. That has actually given a confidence that in the current year we could easily achieve 33% CASA ratio that we had projected. If you look our fourth quarter CASA, it has improved from 31.65 to 32.21 or something. So that itself is around 63 basis points. It has increased in the fourth quarter because the entire machinery, entire bank, we have focused on CASA by introducing new products, new platforms, new features and new initiatives to reach the new customer as well as the connecting and reconnecting with the existing customers. And this current year also, in the first working day we have launched one product, Canara Angel. Angel that's targeting for the women customers and that is widely accepted by the public. And already in a one month, we got more than 200 crores deposit mobilization from the new accounts alone, not from the existing accounts. This tempo of introducing new products and the initiatives, technology related initiatives, making the customer journey more comfortable for them will continue, madam. So that is our focus. we know that unless we work hard on the CASA, it will have impact on our NIM. That's why we are working more and more on CASA products and the CASA mobilization madam.

- **Ms. Mona Khetan – Participant:**

- Got it. And secondly, on the operating expenses front. So what led to the sharp rise in other OpEx and what sort of pension provisions have been made in this quarter. And given that there was retrospective impact of wage hike this year, what sort of normalized employee expense we can expect in FY25?

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

- The staff cost, you know that as per the bipartite settlement last time also we have provided Rs. 750 crores. During that time I shared with you that we have to provide another Rs. 150 to 200 crores towards the actuaries or the pension benefits. But when it comes for the actual calculation, it has come to Rs. 350 crores. That entire Rs. 350 crores and in addition, whatever the increase incremental salary we have to pay, the entire has been provided in this quarter only. That is the reason the staff cost has shown that increase. But ultimately our staff cost will stabilize around 4,100. Though it is currently at 4,458 but next quarter onwards our quarterly expenditure what we are looking at is 4,000 to 4,100. So to that extent the cushion is there in our books.
- The second one is other operating expenses also, whatever the one-time requirement is there, that is around Rs. 200 crores, we have booked that expenditure also. And

since we are investing on IT, naturally increase in IT expenses also is slowly leading to the increase in the operating expenses. But we are sure that we will maintain CI ratio around 47%. Whatever we could achieve, the cost to income ratio, we will try to maintain that or little to the lower side at 47%.

- **Ms. Mona Khetan – Participant:**

- Got it. And just finally, what's the outstanding standard provisions on our books? And what is the PCR we hold against the restructured book.

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

- Madam, restructure portfolio overseas when it comes for the RF1, RF2 and all. So total of restructure has made. During that time it was Rs. 24,000 crores. But now as on date outstanding is only Rs. 17,000 crores. Out of that already, Rs. 12,000 crores is standard asset and Rs. 4,800 crores slipped to NPA.

- **Ms. Mona Khetan – Participant:**

- Okay. And what sort of provisions do we hold against this Rs. 12,000 crore of standard assets.

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

- So whatever the regulatory stipulation is we are maintaining well above that, madam.

- **Ms. Mona Khetan – Participant:**

- So say around 10% or thereabouts.

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

- No. Whatever is the regulatory requirement we are providing it.

- **Ms. Mona Khetan – Participant:**

- Okay. And other than the general provisions of 40 bps we may not be holding any other excess standard provisions. Is that a fair understanding?

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

- No, madam. Wherever it is required, actually even if it is not required in one big account the last year it is slipped to NPA, in anticipation of future ready we have provided some Rs. 300 crores additional provision which is not required as per regulatory requirements. But we have provided the Rs. 300 crores.

- **Ms. Mona Khetan – Participant:**

- Okay. But that was a slipped account...

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

- Total, actually, additional provisioning what we have done is Rs. 1800 crores, madam.
- **Ms. Mona Khetan – Participant::**
- This Rs. 1800 crore is the standard asset provisioning.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- No madam. Whatever the total regulatory requirement is, beyond that we have provided Rs. 1800 crores. That is for only future ready balance sheet.
- **Ms. Mona Khetan – Participant:**
- Okay. And this excludes the restructured book, the minimum requirements of restructured book as well.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Yes ma'am.
- **Ms. Mona Khetan – Participant:**
- Okay, got it.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- See everything, whatever is the regulatory requirement, we are meeting that requirement. And beyond that too, we are over provisioning. That is, the over provisioning is around Rs. 1800 crores in the form of whether it is in the standard asset or restructured asset or NP asset.
- **Ms. Mona Khetan – Participant:**
- Got it sir. And if I could just squeeze in one last question. On the recoveries front, when it comes to recovery from written off accounts we have seen very strong numbers at about Rs. 5900 crore in this year, if I take the full year and this constitutes a very large part of your overall profitability at around 40%. So what would be the guidance here on what sort of because I mean the pool may be coming down etc. so what would be the guidance on this front?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Madam, we still have written off accounts. Technically the written off accounts portfolio with us is around the range of 68,000 to 72,000 crore. Still there is a lot of scope to recover out of that. And every year we expect that 4,000 to 5,000 crores we get from that bunch. And the fresh written off also keeps on happening in every quarter. And when you write off, there is every possibility that in that also there is a possibility to recover the amounts. So this is an ongoing process and it is not a one-time measure. Every year we look at recovering Rs. 4,000 to 5000 crores from the written off accounts. And the main where we can share it with you is our quality of the assets is most important. Look at that. One year back we had told and we had

shared with all of you that our recoveries and up gradation will be better than the slippages. That is the standard we have taken. And the entire top management along with that staff members are working on that. Continuously every quarter we are able to maintain that. In the current quarter also if you see, our slippages are from existing it is Rs. 3082 crores, the new fresh slippages. Even existing, add on is Rs. 300 crores. If you add, total is 3400 crore slippages there. As against that the up gradations are Rs. 520 crores and cash recovery is Rs. 3,161 Crore. Total it is 3,681 Crores. Against 3681, the slippages are only 3400. So we are continuing in that. And even when we are working hard on even existing SMA 0, 1, 2, there also. That gives the two figures more comfortable for you that you just look at that one year back our percentage of the SMA 0, 1, 2 is at 0.76%. In between though it has gone to 0.80. Now it has come down to the 0.69. So we are working very hard on that. Number of accounts if you see that, both accounts and amounts, both at zero level and one level and two level. We are working hard to control there itself. So that is helping us in maintaining our credit cost below the 1% and less pressure on our NIMs.

- **Moderator:**

- Thank you. We move to the next question from Rakesh Kumar. Request you to please unmute yourself.

- **Mr. Rakesh Kumar – Participant:**

- Hi, thanks a lot. Sir, couple of questions I have. So firstly, we have a total gross NPA and written off pool of 11.6% of total loan book. So what is the total unrealized interest income that we have on the book?

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

- Pardon? Unrecovered.

- **Mr. Rakesh Kumar – Participant:**

- Unrecovered, unrealized interest income on the gross NPA and the technical...

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

- Sir, that is very difficult to calculate and tell. Our CFO will share it to you through mail. The entire amount has to be calculated exactly. But at book balance I can tell you. So almost 1,10,000 to 1,20,000 it is available including the gross NPA and the written of book balance. But the unapplied or waiver interest, if you take the documented rate, it will be multi-fold. But there is very limited possibility that you can earn out of that some amount. That's why generally we don't maintain that figures. Individual account wise it will be there. But when the negotiations happens, we also try to get not only the book balance if at all any part of that unrealized interest to be recovered, we will keep recovering that. But that is multi-fold will be there. So when I see it is 110 to 120. That will be definitely more than 100% of that amount.

- **Mr. Rakesh Kumar – Participant:**

- So for this quarter, sir, this quarter the interest income that we have accrued, what would be that number, sir from NPA recovery and TWA recovery?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- That's what sir, this time again we are targeting around TWMA, the book balance and all, it is approximately we are expecting around 1500 to 1600 we can recover. But these are all ultimately in a year we book around that 4,000 to 5000 crores from technical written off. One quarter it may come down one quarter it may go up based on that materialization of our negotiations. In the anxiety of achieving that things, sometimes we will not compromise on our business, when we can require higher amount we will try to recover the higher amount only even if it is one month delayed. That's why exactly telling in the particular quarter how much it is very difficult. But in overall year, we definitely recover in the technical written off around 4,000 to 5000 crores which we have already reflected in the last one or two years' financial balance sheets.
- **Mr. Rakesh Kumar – Participant:**
- Correct sir. So the interest income part, sir, interest income part that we have accrued this quarter, sir how much would that number be?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- See again interest income part also, it is based on your growth in the advances, average growth in the CAP advances. That is an interest income, no? Or interest on non-performing assets you are expecting?
- **Mr. Rakesh Kumar – Participant:**
- Correct.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- You are expecting from me interest on non-performing assets?
- **Mr. Rakesh Kumar – Participant:**
- Yes sir. Non-performing asset and the technically written off loan that we have recovered this...
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- More or less every quarter almost it will be there in the same lines. But to tell you the exact amount, budgeting will not be there for that. Whatever the best we can do, we will try to recover as much as possible.
- **Mr. Rakesh Kumar – Participant:**

- Great sir. Sir on the other OpEx, I would like to come to that number again. That number has gone up by around Rs. 600 odd crore this quarter. So what is the incremental number here in other OpEx, sir?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- In OpEx, the staff cost you see, the first one is the staff cost. One thing is operating expenses pay, the staff cost, because of the bipartite settlement we have to provide 17% and we have completed that entire payment of arrears from November 2022 to now. And in addition to that, whatever it is required towards pension and the gratuity, based on the recommendations given by the actuaries, and initially we expected that it may be around 150 to 200 crore balance, but in actuals it has come 350 crores. That entire Rs. 350 crores also we have provided below the line. So that's why your staff cost is reflecting that 4,458. But on an average every month from next quarter onwards this staff cost will be stabilized around 4,000 to 4,100. There is a question of Rs. 350 crores here in the operating expenses.
- The other operating expenses is in the depreciation, and one time expenditure related to IT also, around 150 to 200 crores we absorbed this time only. So those things are there. That's why it is reflecting a little more in the operating expenses. But otherwise, whatever our control in the operating expenses will continue and it will stabilize. Even other operating expenses are around 2600. So in the 600, staff cost 300 benefit will be there. Down the level also there will be some 300 crores cushion will be there in the coming quarters. So that will be the 250 to 300 crores benefit there. So that will be the comfort for the next quarters, few quarters whatever it is there.
- **Mr. Rakesh Kumar – Participant:**
- Sir, just one last question.
- **Moderator:**
- Rakesh, we would like you to please join back in the queue.
- **Mr. Rakesh Kumar – Participant:**
- Sure, sure.
- **Moderator:**
- Thank you, Rakesh. Next question is from the line of Jay Mundra. Jay, if you can unmute yourself and go ahead.
- **Mr. Jay Mundra – Participant:**
- Good evening, sir and thanks for the opportunity.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Good evening Jay.

- **Mr. Jay Mundra – Participant:**
- Sir, in your opening remarks you mentioned that you are still studying the RBI new circular on project under implementation. But out of your infra book, you would have an idea as to how much of the loans are under DCCO as of now. Maybe within the infra book of Rs. 1,29,000 crore.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- See, there are several conditions. It is not only the guidelines. So project under implementation is there, project completed but the balance has not come down below 20% is there, balance projects are implemented the 20% has come down, that is also there. And we don't know what the floor price we have to take for the project is. Whether it's a project cost we have to take or are the loan sanctioned? Has to be taken. So many doubts are there. These doubts we are seeking the clarification from the regulator. Exact amounts and tentative amounts, we can achieve it. Otherwise now in the absence of that, tomorrow you may sanction one loan for MSME for 25 lakhs. For that 25 lakhs is a project implementation also you have to provide. We don't know that exactly, no? So these clarifications, unless otherwise we get the clarifications it is too early to comment on that. But one thing I can give you a confidence that whatever the guidelines given by the RBI, we are well prepared to face that. That much confidence I can give to you. Because partly whenever there is an impact on burden either in the bottom line or in the capital side, the calculations our risk department will calculate what is impact on that and that calculation partly we absorb and partly we request our borrowers to absorb it. And we are successful in convincing our borrowers, even recently, last time when the risk weight is on NBFCs have increased. That is the reason we could maintain our NIM at 3.07 and we have shown an improvement in the yield on advances in the fourth quarter. The same thing will continue when you have a good relation with your borrowers and we can easily convince them to share the part of that. Even in existing borrowers also we can request our borrowers to share part of that burden. So I don't think there is a need to panic too much. And you see, last year our net profit is Rs. 10,600 crores. But this time our net profit is Rs. 14,554 crores. Don't you see that there is a 37% increment for us? So we have ample cushion in our balance sheets. We are ready to face whatever is the stringent guidelines. If it comes for the betterment of the balance sheet, we are in line with that regulator.
- **Mr. Jay Mundra – Participant:**
- Understood sir. And on April 1st, there was a new RBI regulation on reclassification of investment portfolio. You must have redrawn the balance sheet as on April 1st. Was there any accretion to CET 1 or reserve or general reserve out of that exercise? And if you can quantify that?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- I request my executive director who is overseeing that treasury, Sri Debashish Mukherjee sir. He will share his views on that.

- **Mr. Debashish Mukherjee - Executive Director, Canara Bank:**
- You see, on implementation of the new accounting guidelines from 1st of April, it has added about Rs. 1400 crores to our reserves. So that is a positive point which has happened by implementation of this. Secondly, our HTM portfolio which is quite high, more than 80%, so that is also giving us ample scope for future profitability, because the yields are coming down. And even in the last financial year, let me tell you, that our portfolio yield has increased from 6.69% to 6.91% for the total investment portfolio. So, our treasury, our investment portfolio is doing satisfactorily, I can say.
- **Mr. Jay Mundra - Participant:**
- Point well taken, sir. 1,400 crores is a decent amount. It's just that it is the combination of both AFS reserves and general reserve, right? I mean, or is it only the AFS?
- **Mr. Debashish Mukherjee - Executive Director, Canara Bank:**
- Right, right.
- **Mr. Jay Mundra - Participant:**
- No, sir, just wanted to check sir, is this the revaluation of both HTM as well as AFS, or only the AFS to portfolio?
- **Mr. Debashish Mukherjee - Executive Director, Canara Bank:**
- No, no, HTM and AFS.
- **Mr. Jay Mundra - Participant:**
- Okay, sir. And the last thing sir, if you can give the breakup of slippage during the quarter, and the loan book breakup?
- **Moderator:**
- What is that sir?
- **Mr. Jay Mundra - Participant:**
- Slippage breakup and breakup of loans by benchmark.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Slippage breakup? It's around 3400 now, sir. Actually, out of that, 1,080 is agriculture, 1,200 crores is MSME, 400 crores is retail and 400 crores from mid-corporate it is there, sir.
- **Mr. Jay Mundra - Participant:**
- And breakup of loan book by benchmark, by EBLR, MCLR fixed rate?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**

- The MCLR book is around 51 point odd, that is approximately 52%, sir. Our RLLR linked is 38%. The remaining 10% is staff loans and loans against deposit and all those specific schemes.
- **Mr. Jay Mundra - Participant:**
- Sir, if you permit, I can ask one more question?
- **Moderator:**
- We request you to please join back in the queue.
- **Mr. Jay Mundra - Participant:**
- Sure, no problem. Thank you very much, sir. All the best.
- **Moderator:**
- The next question is from the line of Ashok Ajmera. I request you to please unmute yourself and go ahead.
- **Mr. Ashok Ajmera – Participant:**
- Thanks for giving me the opportunity, though I am waiting from the first question itself. Anyway, sir. Yes, definitely, the profitability of the bank has improved and it is the one of the best quarters as far as the net profit is concerned. Having said that, I have got again a question on our credit growth. Sir, if you look at this current quarter, I mean, the last quarter, the net credit growth is only 6,717 crores in the domestic book, which is just 0.75%. So overall, you said you set a target of 10% and you achieved 11%. But going forward, how are we going to, if in a quarter, the credit growth and that is also in the in the March quarter itself, if it is only 0.75%, so how can we expect the credit to growth to come in, in the coming quarter? Does it mean that a big chunk of loan has been repaid and a fresh loan
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Yeah, let me explain to you, sir. I was sharing with you for the last four quarters that we have, two years back, invested 60,000 to 70,000 crores in AAA rated borrowers at much, much cheaper rate. Because during that time, that decision was good because we have surplus of 60,000 to 70,000 crores in our system, and we deployed that. But now that deployment became costly for us because that borrowers are not inclined to increase their rate of interest. And at that rate, maintaining that 70,000 just to manage our top line, will be difficult and it will be having a stress on our margins. So as a calculative business decision, the bank has taken a decision to gradually reduce our exposure from these 7-8 borrowers, from the 70,000 to an acceptable level of 25,000 to 30,000 crores. That in over stretch, we cannot reduce it.
- Whenever it comes for the renewal for those things, we are reducing 50% or 60% or 30%, depending on the price what we are getting from that borrowers, and we are renewing it partly. So the remaining amount we are accepting as a payment from them, and that amount we are investing in that. But in the credit growth, there is no question of sluggishness. I already shared with you in the last quarter itself, we are

almost to 14,000 to 15,000 crores. We have reduced that limits from existing AAA rated or whatever it is, because the rate of interest is much, much below than the market rates. So that's why that is not reflecting in your QoQ basis of the incremental growth. If that is the case, that would have impacted our ramp growth. You look at that our ramp growth, it is more than 2%. Then it is not that the credit growth is not there. So only because of the corporate growth, we have taken that decision. And to reach our portfolio without impacting our margins. And where this 60,000-70,000, the burden is there, that slowly we want to reduce that burden. This is only that.

– And one more green patch I will tell you to that, maybe this is the first of its kind. From April this month, 30th of this month, from March 31st to April 30th, we are positive by 9,000 crores in the balance sheet.

– **Mr. Ashok Ajmera – Participant:**

– That's great.

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

– And that means in advances itself, we are positive by 3,000 to 4,000 crores. And, don't you think that it will give us a benefit in the interest income?

– **Mr. Ashok Ajmera – Participant:**

– Yeah, definitely.

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

– So we don't want to be in the market when the market is too busy and working for the top line. Our policy is very clear, sir. We don't want to grow at the top line at the cost of bottom line. We know when everybody is relaxed, we want to do our job. That job we are doing in April itself. And in April, our balance sheet is so comfortable, first time in the history of our bank, as well as in all the banks. We are 9,000 crores more than the domestic business of March 31st.

– **Mr. Ashok Ajmera – Participant:**

– Yes, sir. Sir, my second...

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

– And, majority of this incremental growth has come from either in the savings bank or in the advances, nothing else.

– **Mr. Ashok Ajmera – Participant:**

– That's great, sir. Sir, you said that the additional provision of over and above the IRAC norms is 1,800 crores. Sir, out of that, that one major account, which was slipped last year... this year, how much out of that 1,800 crore is of that particular account?

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

– Approximately 300 crores is there, sir.

- **Mr. Ashok Ajmera – Participant:**
- So overall 300 because 300 you made this year.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- No, this is not overall, additional we have provided 300.
- **Mr. Ashok Ajmera – Participant:**
- Out of this 1,800 crores which we have the floating... I mean, the extra provision, that one account...
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- 300 extra provision we have made towards that account.t
- **Mr. Ashok Ajmera – Participant:**
- Okay sir, point well taken. Sir, I will come on treasury. We have given a very good handsome profit on...
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- No, let Ashok ji ask, sir.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- If any apprehensions are there, it is better to take the clarity.
- **Mr. Ashok Ajmera – Participant:**
- No apprehension sir, it is just a few points of information and data. Sir, our treasure has performed very well. The profit from the sale of investment is 663 crores out of 865 crores of profit in this quarter. Now, our AFS book is also increased by around 9,000-10,000 crores even in this quarter also. So, Mukherjee saab or you, going forward, will this momentum in the treasury performance or income continue in the coming quarters? Do you see that softening of rates might come by RBI also?
- **Mr. Debashish Mukherjee - Executive Director, Canara Bank:**
- No, no, definitely sir. We are definitely for churning our portfolio in investments, and we have been trying to do that. And that is why, as I told you, earlier, that our portfolio yields have increased to 6.91 from 6.69. And also, please note that this change in accounting has given our CET-1 a boost of 21 basis points, which is a very big amount; about 1,400 crores. So going forward, our AFS portfolio, we will continue to increase and churn it. As well as, use our HTM portfolio as well, for churning and getting more and more profits. That's been our intention always, and this time also.
- **Mr. Ashok Ajmera – Participant:**
- That s great Sir, if you permit just last question in this round.

- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Okay, sir.
- **Mr. Ashok Ajmera – Participant:**
- If you refer the Note number 13, sir, we have sold an NP accounts, 12 NP accounts of 2850 crores. That was the book value also and the outstanding also. So, aggregate consideration received is 916 crores Whereas, in the next same note, in the in the Note number 13-E, we are mentioning that the quantum of excess provision reversed in the P&L account from the sale of the state's loan is 371 crores. So, the consideration received is 916 crores.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Let me let me explain to you, sir. Let me explain to you, sir.
- **Mr. Ashok Ajmera – Participant:**
- Yes, sir. Just for clarity.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Whenever you are transferring your account, you are selling your account to NARCL or any other ARC. We have sold to only NARCL; no other ARC we have sold. The NARCL, when you are selling it, the 15% only upfront you will get the cash, sir. The remaining 85% they will give in the form of a SRs guaranteed by Central Government. Though it is guaranteed by Central Government, as per the existing regulatory guidelines, we cannot reverse that provisioning on that SR, that portion. So, whatever the settled amount, 968, upfront what we got is 15% of that cash, we will get it. In the remaining accounts, whatever the SRs they are issued, that SRs provisioning against that amount will continue in the system, sir.
- **Mr. Ashok Ajmera – Participant:**
- All right. So, this 371...
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- That's why, that provision reversal, you don't see that.
- **Mr. Ashok Ajmera – Participant:**
- We see only 371 crores in the provision reversal for this?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Yes, sir.
- **Mr. Ashok Ajmera – Participant:**
- And what was the percentage of this overall, including 15% and 85% of the book outstanding? I mean, how much realization percentage?

- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Sir, it varies from account to account. Some accounts we get upfront cash more, some account upfront cash will come less, but the minimum upfront cash is 15%. But that varies from account to account.
- **Moderator:**
- Thank you, sir. The next question is from the line of Sushil Choksi. Please unmute yourself and go ahead.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Thank you, Sushil ji.
- **Mr. Sushil Choksi – Participant:**
- Congratulations for a very stable number and stable outlook. Sir.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Thank you very much, sir.
- **Mr. Sushil Choksi – Participant:**
- Entire world is searching CASA. And specifically, Canara Bank, if we compare with our peer banks at our size level, what are we doing to make sure that our CASA, that's the difference between your balance sheet and their balance sheet where cost to income or other numbers are concerned? Assuming the other two numbers are stable, which are yet to be announced, what are we enabling that our CASA, from current 32 goes to 35 or 40% over a period of 3-4 years?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Sir, we are working hard on that CASA. Undoubtedly, we have taken CASA as our first priority among all our business parameters. But historically, when you say that the 62% to 65% of branches network is in South India, CASA historically is a challenge for our bank, because, though it is yielding an asset side benefit, but this side is a CASA. We don't want to accept that weakness as it is. And last year, first working day itself, we started, we launched six products targeting various sectors. For retired people, we have come out with the two products, and for the salaried class, we have come out with 3-4 products. Then special other than salaried class, for savings bank, we have come out with some select products. And business community also, we have come out with the two products in the current accounts.
- We also simultaneously developed our digital footprint so comfortable with the customers, so that the younger generation with whom we feel that so much CASA is available, who are the high earning individuals in the present society. So, targeting them also, we are launching several features, several products so that they will start dealing with us. And that has given us a very much comfort If you see our CASA as on December and CASA as on March, CASA as on December, it is only 31.662. Whereas, the CASA at the March level has gone to the 63 basis points more, and we have crossed

32.25 or 26 something; that's the area. This is possible only because our incremental growth in the SB individuals.

- In the absolute numbers also I can share, approximately around 16,000 to 17,000 crores in SB individuals alone has been increased. Out of that, only 6,000 crores we got through new schemes that we have introduced. So that is actually the major chunk where we have got the jump. And simultaneously, we introduced a Relationship Manager concept to reconnect with our high net worth customers. That has been established in almost 4,900 branches. An exclusive officer has been given to handle or serve the top 200 customers. And we have introduced API banking with 200 features to make corporates comfortable with dealing from their host-to-host integrity.
- We also have done corporate mobile app. we are the second public sector bank to make it more comfortable for the corporates, so that they can shift their entire ancillary business towards us. And we are taking several initiatives to attract that. Recently, in continuation of that, with the motivation given by the last year, with whatever the new products, the enthusiasm has increased in our rank and file. So, in the first working day of this current financial year also, we launched two new products. One is directly a CASA i.e. Canara Angel targeting women. And this is the first of its kind in India. Whatever products we are launching in the last one year and these two months, are first of its kind in the industry. There afterwards, other banks, whether they are public or private sector banks, are introducing similar products. And this Canara Angel has got so much attention from the various sections of the people, especially various geographical areas. And in the first one month itself, we got 200 crores in the new accounts opened in that particular product; it is not from the existing accounts migrated to that. So new connections what we got through them, we got more than 200 crores in that.
- Simultaneously, we also launched to target the younger generation whom we want to attract to onboard as a customer. So, we introduced a Canara Heal that is a medical gap funding. So whenever the health insurance scheme has been taken by any youngster for their dependents or for themselves, when they admit their dependents on that, there will be a difference between the TPA settled amount as well as the corporate hospital billed amount. That gap funding, the person can avail it within 2-3 minutes by opting online. This entire thing is being STP process; no physical intervention. The documents, everything, can be uploaded online, and one can opt for that. That product also has attracted many corners from many areas, and nowadays I'm seeing more traction as well as the discussions on that product. This product is aimed not for lending only it is for me aiming to onboard the younger generation. So, they can open their account online and take this facility then and there, and they can repay it in whatever the instalments they like.
- Such innovation R&D has developed a lot. You know that very well that in the last January 1st itself, we introduced an industry best business analytics and data lake in our special exclusive lab, and that is also as creating wonders in garnering the leads, especially in the CASA side. So these are all the initiatives.
- We are not stopping here. We are also now having discussions with many vendors for bringing GenAI into our regular customer experience areas, so that that also will

attract the younger generation. Our innovation in technology to make more of the younger generation attracted to this bank will continue. And to attract other sections of the society, our R&D is target-oriented, the sector augmented or segmented targeted products we are launching. And these efforts will continue. With that, we are very much confident that in the current year we will achieve that 33% CASA. And as you said, that it is reaching to 37% to 38%. Definitely it's a long way to go. We are working on that, we are not sure whether we can achieve it in 3 years or 4 years. But we are aiming and we are working on that only.

- Even recently when we had a Board Strategy Meet, we wanted to achieve 35% in the next two years, and there afterwards, again we want to keep it in the longer five-year plan also we are drafted. There we kept it after five years. We want to achieve around 38%. These things are quite possible if we continue with the innovative products. And we are sure we will achieve those things, sir.

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

- Sir, your city attracts the highest and the best talent, and your state attracts the best talent to the service economy as far as new generation is concerned. The amount of digital spend which we have done to migrate the bank from old Canara Bank to a new generation Canara Bank, when do you think this entire migration will reward the bank? Whether this year, next year or it will take some more time?

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

- See innovation and technology importing is a journey, sir. It is not a destination that we have we can say that, yes we have achieved 100%. So always you will get innovative things and you have to capture that. And you should be the first in the industry. Then the people will be attracted you, people will recognize you, people will identify you as their preferred banker. But the majority of the investment, I can say, that we have completed. But now we are taking the fruits out of that investment. So now we are working hard on that.

- But simultaneously, our investment may not be that much. Volumes may invest but at a little lower side, but investment will continue in the IT. Now in the current year, we have targeted for GenAI, artificial intelligence, sir. New GenAI, what is there, that area, whether we want to improve our customer service, customer experience, by introducing in the chat bots or even the customer call centre, or even in the online transaction monitoring to address the cyber security, cyber-crimes and all those things. Many areas we have identified, and we are working on that.

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

- Sir, in the current year, we have already finished one month. Based on unavailable limits and what we have sanctioned, and your credit guidance of 10-11% or you may do 12%, what is the limit available with people who... let's assume that the economy is on a very high trajectory after the election. What kind of limits can be available? What is unavailed limits, undrawn limits?

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

- See, in the corporate itself, what we sanctioned and partly disbursed, we have approximately 25,000 to 30,000 crores in the RAM sector, in different areas. And even in MSME also, unavailed limits are there 4,000 to 5,000 crores. All these things it's not that overnight they will use it. As and when they require, as and when it is due for that, they will use it. But what I want to tell you is, the credit growth, I want to share it with you, that the from March 31st compared to the last working day of April, after one month, on the total balance sheet, in domestic business, we are 9,000 crores more than March figure. This may be the first bank. We are openly sharing with you that the we are 9,000 crores positive than the March 31st figure. That's what our business plan is. And when the activity is less, we want to do more a business so that that will take care of our NIMs also and returns yield on advances also, interest income. In the first month itself, we are almost 4,000 crores positive in the advances.
- **Mr. Sushil Choksi – Participant:**
- Sir, my last question in this round, if time permits, besides the two IPO which you are proposing, any other asset monetization plan from Canara Bank?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- No, sir. At this moment only those two we are thinking of listing. And it is in advanced stage. One is in advanced stage, one is still half way. And we expect that one may come to the listing in the last quarter of this financial year. The other one may come in the first quarter of the next financial year.
- **Mr. Sushil Choksi – Participant:**
- Thank you and best wishes to Canara...
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Because, our CRAR, Sushil ji hope you will agree, that this is one of the highest CRAR are among the public sector, peer public sector banks at 16.28%. And, our internal accruals are so high, and that is taking care of our growth rate, whatever it is there. At this moment we are working on improving the value of our investment. Our focus is more on improving our value of the investment, whether it is through subsidiaries or our bank.
- **Mr. Sushil Choksi – Participant:**
- Sir, last 24 to 30 months you have outperformed most of the peers in terms of the balance sheet size, or many other aspects, and shareholders have been rewarded. And I hope that journey continues with your team.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Sure, sir. We can assure you that, that whatever the rewarding the shareholders... last time 120% this time 160%. The same tempo will continue in the current year also.
- **Mr. Sushil Choksi – Participant:**
- Thank you all the best, sir.

- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Thank you, sir.
- **Moderator:**
- Thank you, sir. We have the next question from the line of Anand Dama. Request you to unmute yourself and go ahead.
- **Mr. Anand Dama – Participant:**
- Hi, thank you for the opportunity. Sir, my first question is on the margins. So, this quarter we have seen almost like stable margins, as such. Was there any interest on NPA recovery during the current quarter? And what is your guidance in terms of margins for FY25?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- So NIM margins means, NIM, whatever we are telling presuming that current liquidity position continues. So, we have seen in the bulk deposits and CDs little softness from the March quarter to now in April. The rates were earlier too high now, and it has come down something to the extent of 7.6-7.7 that range. But still, in retail term deposits, the same rates are continuing, which is high-cost deposit only. So at this moment, we don't see too much change in the cost of deposit and the yield on advances. In the current quarter too much change may not be there. So, whatever the performance what we are showing in the just concluded March, may continue in the margins level. But cautiously, we are projecting ourselves that it may be around 2.95 to 3%. But our endeavour always will be to see that our NIM is around 3 or more than 3. But cautiously, we are giving the guidance presuming that this liquidity tightness will continue throughout the year. If the flexibility is there, automatically that will impact our NIM and that will show a positive reflection on that.
- **Mr. Anand Dama – Participant:**
- Sir, can you just talk about interest on NPA recovery during the current quarter? Like, 4th Quarter, how much was it?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Interest on...?
- **Mr. Anand Dama – Participant:**
- NAP recovery.
- Sir, NPA recovery interest specifically saying that this much target and all it will be very difficult.
- **Mr. Anand Dama – Participant:**
- No, I just want it for the 4th Quarter.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**

- That’s what, sir. 4th Quarter, overall, whenever we recover, towards the tranches.. See, if it is a technical return, written off accounts, in that written off accounts, whatever they we getting, even book balance is a profit for us. And more than that whatever we get, we recover it. And whatever the existing levels four quarters it is there... So, that 200 to 250 crores will continue every quarter. That may not be a big change. You will see that in one quarter may you will get 600 crores, in one quarter may only 10 crores. On an average, generally, interest on NPA will come around 200 to 250 crores; that will come in that.
- **Mr. Anand Dama – Participant:**
- Sure. And, sir one thing basically. If you can just talk about what is the overall project financing exposure that we have on our book as of now, in terms of percentage? I just want a ballpark, like 10%, 20%?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- See, I have already addressed this question twice, but I don't mind repeating that. You tell me, what is the floor limit I have to take, then I will tell you.
- **Mr. Anand Dama – Participant:**
- Sir, all we are asking is, basically any project financing exposure in one quarter...
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- See, you are asking me you tell me what is your exposure on the project finance? I am asking you, what is the floor limit? Whether it is 10 lakhs, whether it is 1 crore?
- **Mr. Anand Dama – Participant:**
- You take it 1 crore.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- See, is it possible to calculate 1 crore above and all those things and readily share with you? ... MSME portfolio and all. So let the clarity come. At this moment, we expect that our exposures are in and around of one lakh crores if you take everything. But the let the clarification come. If the clarification comes that project cost or the loan amount, the floor limit if they say one crore, it's okay, if they say 10 crore it is... if they say 50 crores, different figures will be there. But if you don't take any amount and 100% amounts you have to take, it will be around one lakh crore, approximately.
- **Mr. Anand Dama – Participant:**
- Sure, sir. Thanks a lot.
- **Moderator:**
- The next question is from the line of Ashlesh. Please unmute yourself and go ahead.
- **Mr. Ashlesh– Participant:**

- Good afternoon, sir. Just a couple of questions. Firstly on the corporate loan book, are there any further low yielding corporate loan that you plan to shed? And, what is the average yield on the corporate loan book right now?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- See, corporate loan book, we don't shed it just like that shedding. So when we generally... whenever there is a due for that, low cost or low yielding... low yielding corporate book is there. I already shared with you that we have 60,000 to 70,000 crores. Whenever those loans come for either the repayment or for the renewal and all, we are negotiating with that parties. If those negotiations happen as per our expected level, if it is well within our appetite, we would love to continue with them. But suppose they have a better options from other banks and they don't want to increase their rate of interest, in such cases, we are reducing our exposures. It is an ongoing exercise, but it's not that suddenly there will be a negative growth in that just like the last month what it is there. It will not be there, because already from March till now, we have seen 3,000 crores incremental growth in the corporate book alone; in one month.
- **Mr. Ashlesh– Participant:**
- Understood, sir. Sir, what is the average yield on the corporate loan book for us?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Now it has crossed to 8.05, sir. Earlier it was 7, now it is 8.05... 8.17. 8.17, and we are comfortable with anything above 8%.
- **Mr. Ashlesh– Participant:**
- Understood, sir. And what was this number in the previous quarter, 8.17?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- That's what sir, one year back it was only 7.02 or 7.06. Almost 110 basis points have increased in that
- **Mr. Ashlesh– Participant:**
- Understood. Sir, just one last question. What would be the average cost of outstanding term deposits for us?
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- See, average cost... already cost of deposit is reflecting. It is 5.5%. If you want exclusively term deposits, it may work out around 6.25 to 6.50, sir, if you don't add CASA. Only the CASA of term deposits, it would work around 6.25% to 6.50%.
- **Mr. Ashlesh– Participant:**
- Understood, sir. Thank you.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**

- Thank you, sir.
- **Moderator:**
- We'll take that as the last question due to time constraints. Thank you sir, for giving Antique Stock Broking this opportunity. We'll hand over the call to you for your closing remarks.
- **Mr. K. Satyanarayana Raju - MD & CEO, Canara Bank:**
- Thank you very much, sir. We'll continue to perform as expected. Our main thing is consistency, that consistency will continue. We will not see any knee jerks in our balance sheet in the coming quarters too. That much assurance I can give. Thank you, sir.

- ***END OF TRANSCRIPT***