

PERFORMANCE HIGHLIGHTS

December 2009

A Premier Nationalised Bank in India

- Well spread network of 3005 branches
 - ✓ Over 2000 ATMs spread across the country
- Over 36 million strong cross-section clientele base
- Consistent track record of profit making .. Since inception
- Financial Supermarket - 9 subsidiaries/sponsored institutions/JVs
- Foray into High Growth Areas, viz., Insurance and Asset Management with Global Majors

Pan India Presence

FINANCIAL HIGHLIGHTS

HIGHLIGHTS

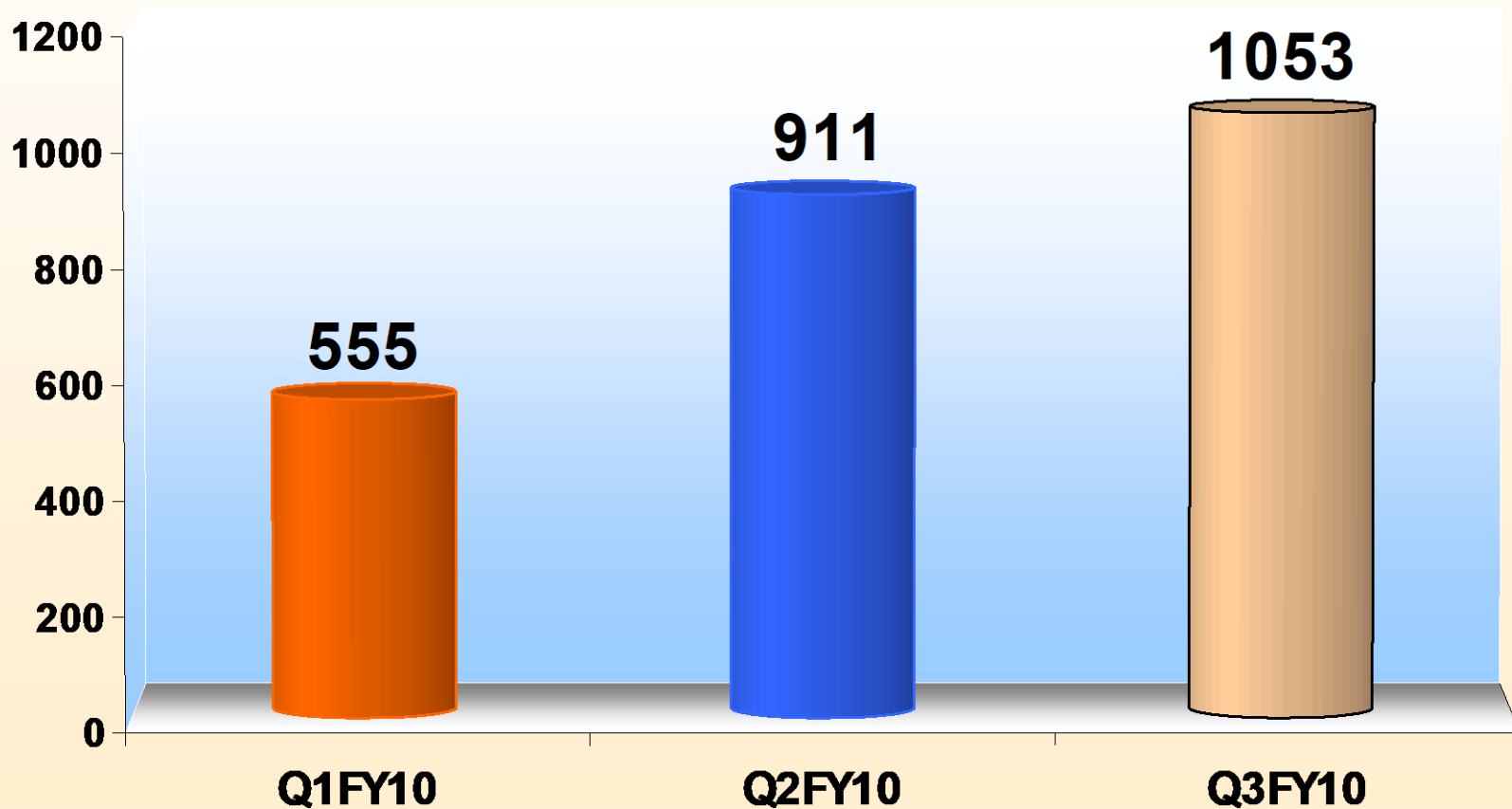
- *Net Profit* for the Q3 crossed Rs.1000 crore mark to reach Rs.1053 crore, with an impressive growth of 50% y.o.y.
- *Operating Profit* rose to Rs.1470 crore, up by 21% y-o-y.
- Total provisioning at Rs.417 crore.
- *Provisioning coverage ratio* at 74.04%, well above the RBI 70% norm.
- *Aggregate Business* reached Rs. 3,56,310 crore, up by 17.3% y-o-y.
- *Total Deposits* reached Rs.208,899 crore, up by 19.5%.
- *Net Advances* grew by 14.3% to reach Rs.147,411 crore.
- *Credit to Deposit ratio* at 70.57%.

HIGHLIGHTS

- *Operating Expenses* contained almost at December 2008 level.
- *Cost to Income ratio* (9 months) declined to 36.92% from 44.82% a year ago.
- *Net Interest Income* up by 18.8% to Rs.1478 crore.
- *Net Interest Margin (NIM)* sustained at 2.71%.
- *Return on Average Assets*, on annualized basis, for Q3 improved to 1.85%.
- *Comfortable Capital Adequacy Ratio* at 14.44%, Tier I Capital at 9.20%.
- *Branch Network* has crossed 3000 mark to reach 3005.
- The Bank opened 273 branches during nine months, making it the highest since inception.

SUSTAINED PROFIT LEVEL

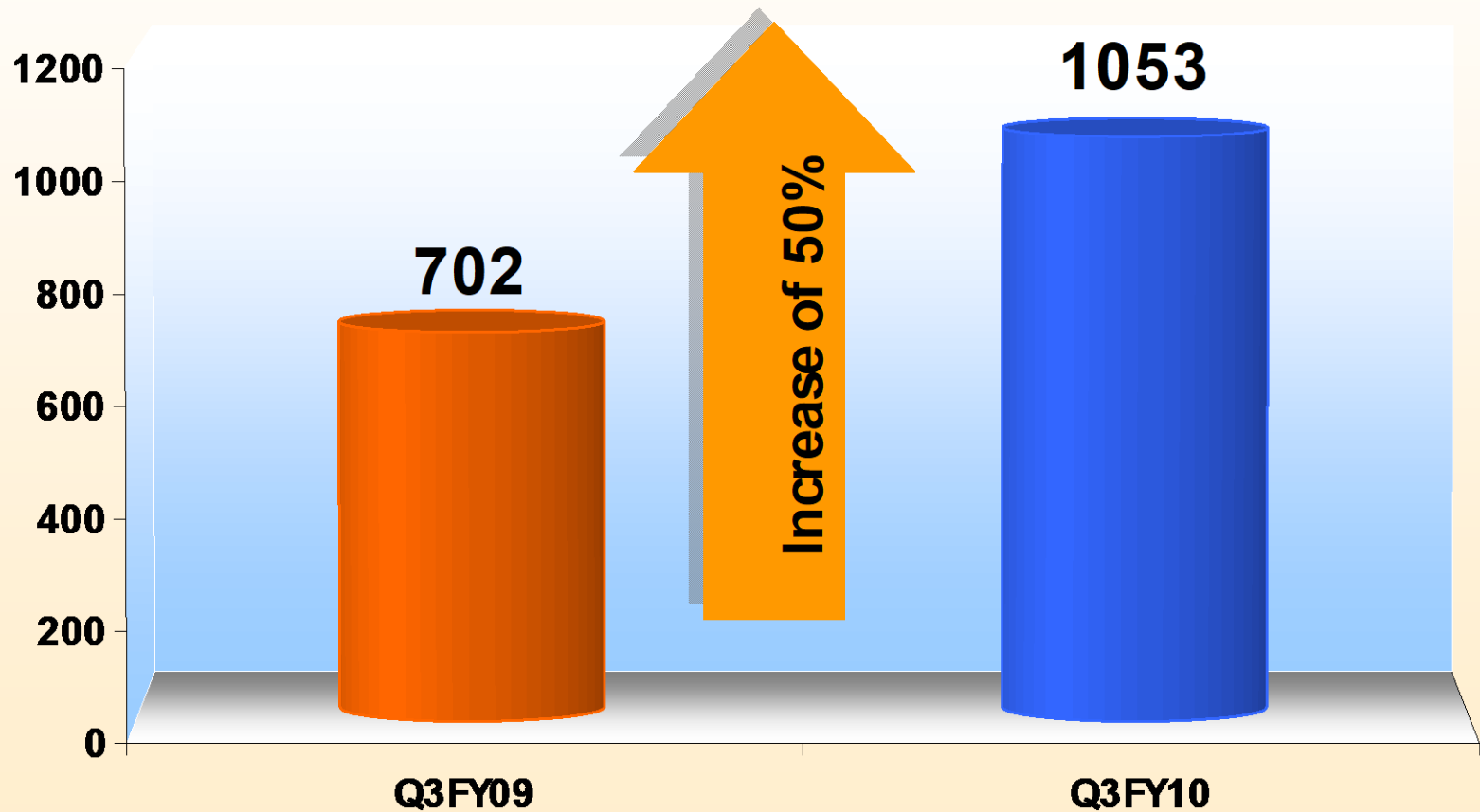
Net Profit Sequential Increase during FY10





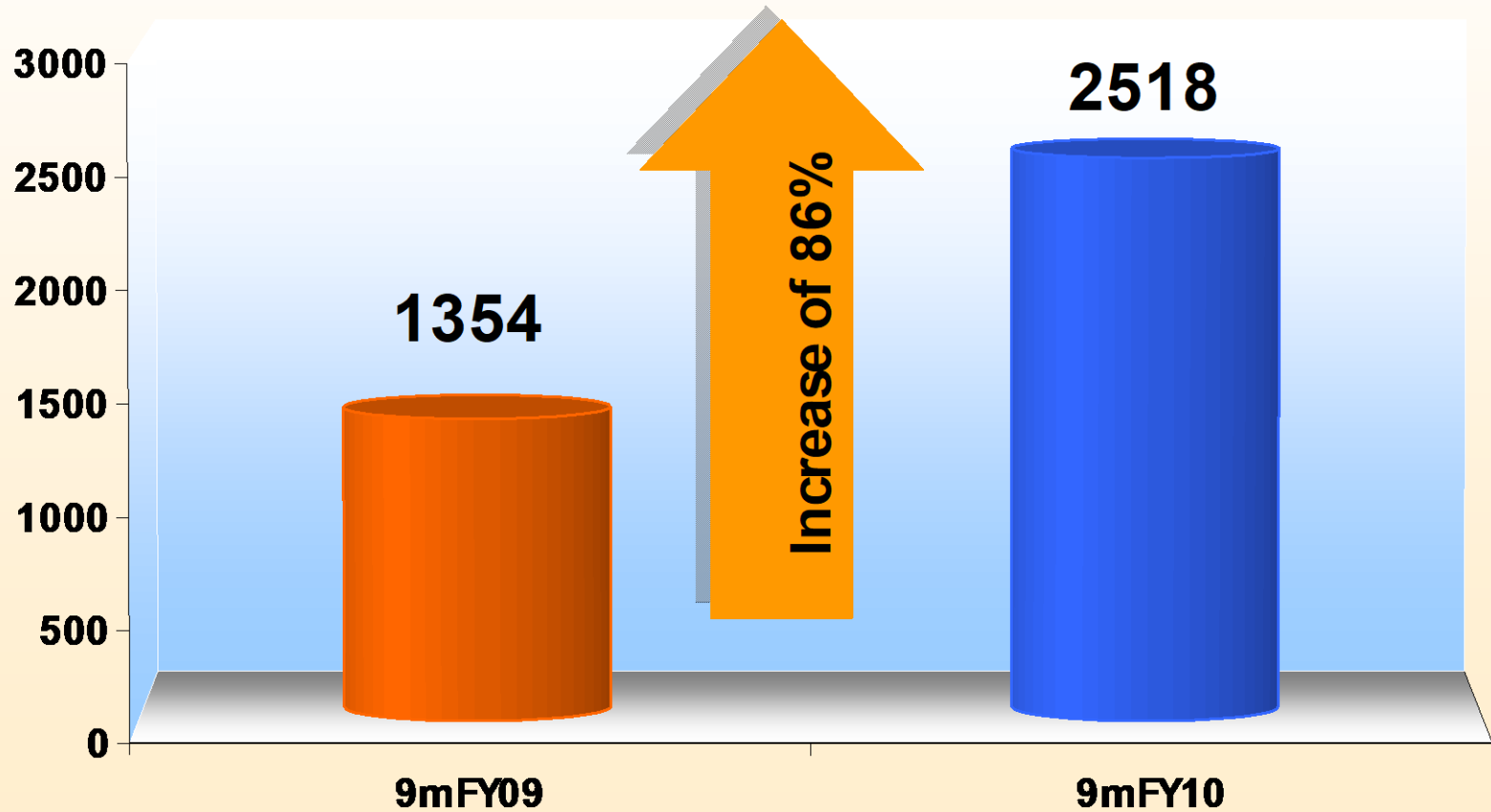
ROBUST NET PROFIT GROWTH – Q3 FY10

Net Profit (Rs. in Crore)



ROBUST NET PROFIT GROWTH – 9m FY10

Net Profit (Rs. in Crore)



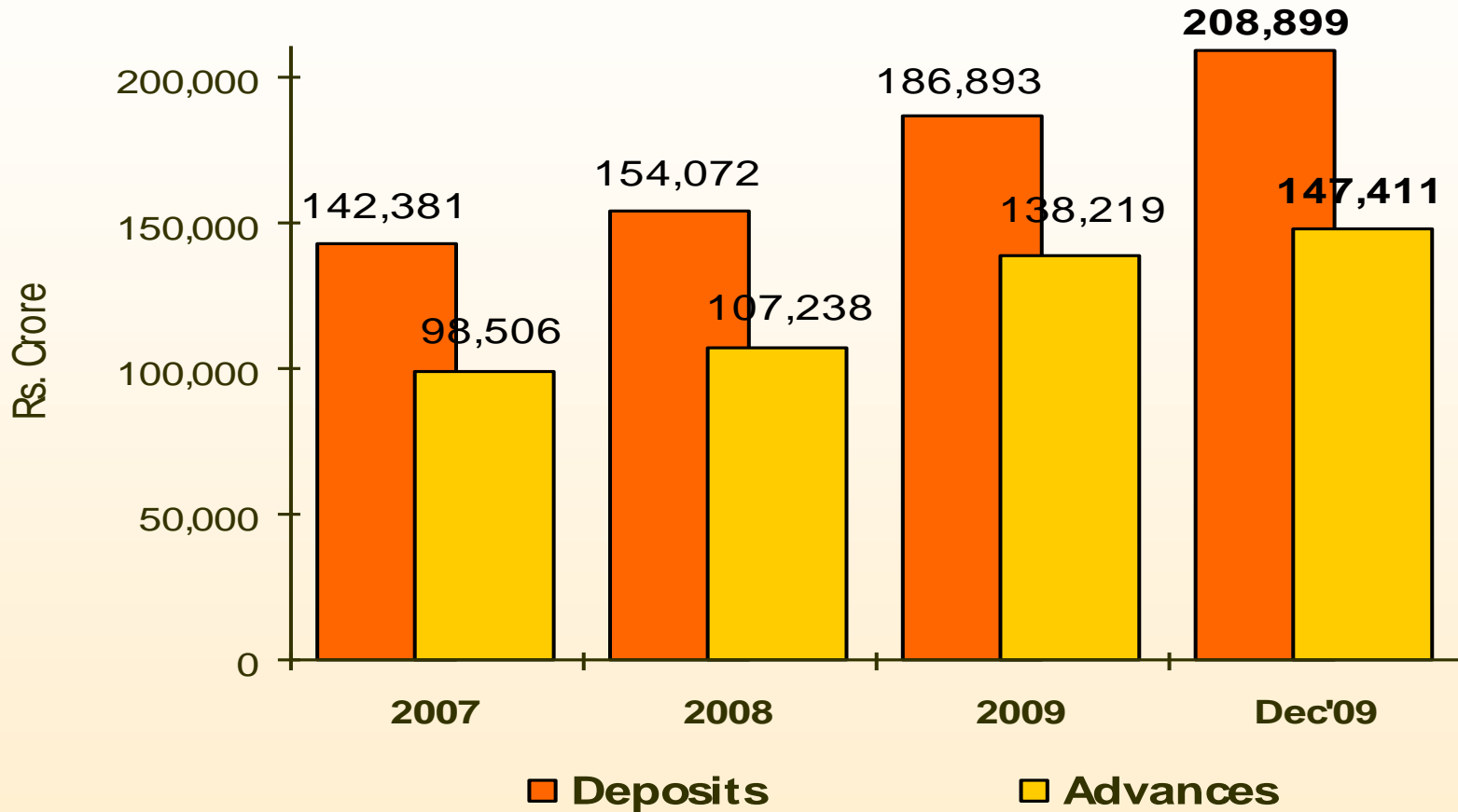
BUSINESS PROFILE

Amt. in Rs. Crore

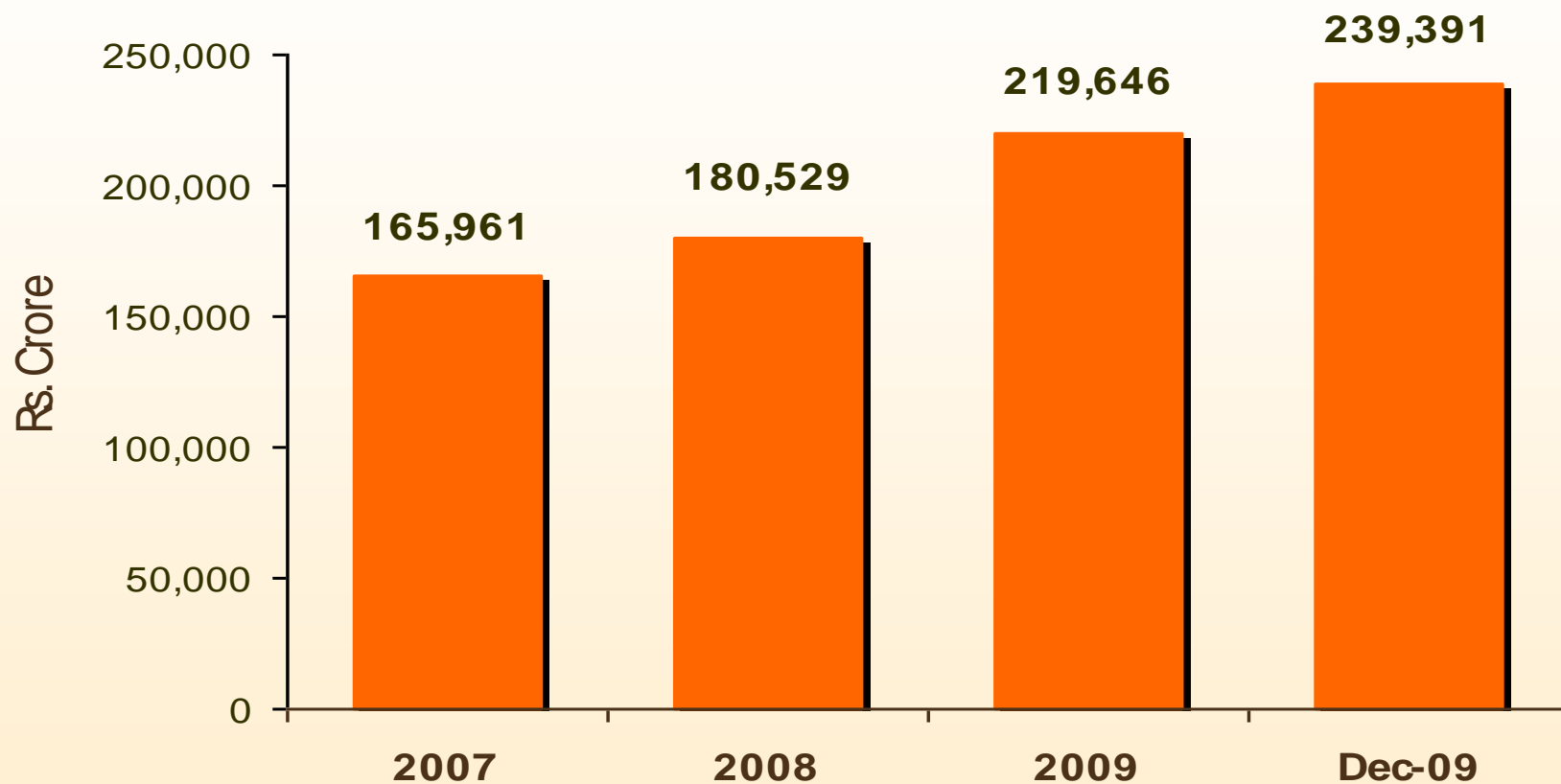
	<u>Dec'09</u>	<u>Dec'08</u>	<u>Y-o-Y Gr</u>
Global Business	356310	303759	17.3%
Total Deposits	208899	174839	19.5%
Net Advances	147411	128920	14.3%
CD Ratio (%)	70.57	73.74	

Business Growth Of Rs.52,551 Cr
Domestic Business Constituted 96.7%

TOPLINE GROWTH



TOTAL ASSETS



INCOME

Amt. in Rs. Crore

	<u>9mFY10</u>	<u>9mFY09</u>	<u>Growth</u>	<u>Q3 FY10</u>	<u>Q3 FY09</u>
Total Income	16103	13930	15.6%	5469	5383
Int. Income	13955	12465	12.0%	4688	4625
Int. Loans/Adv	10401	9238	12.6%	3471	3484
Non-Int. Inc	2148	1465	46.6%	781	757

Good Earnings

EXPENDITURE

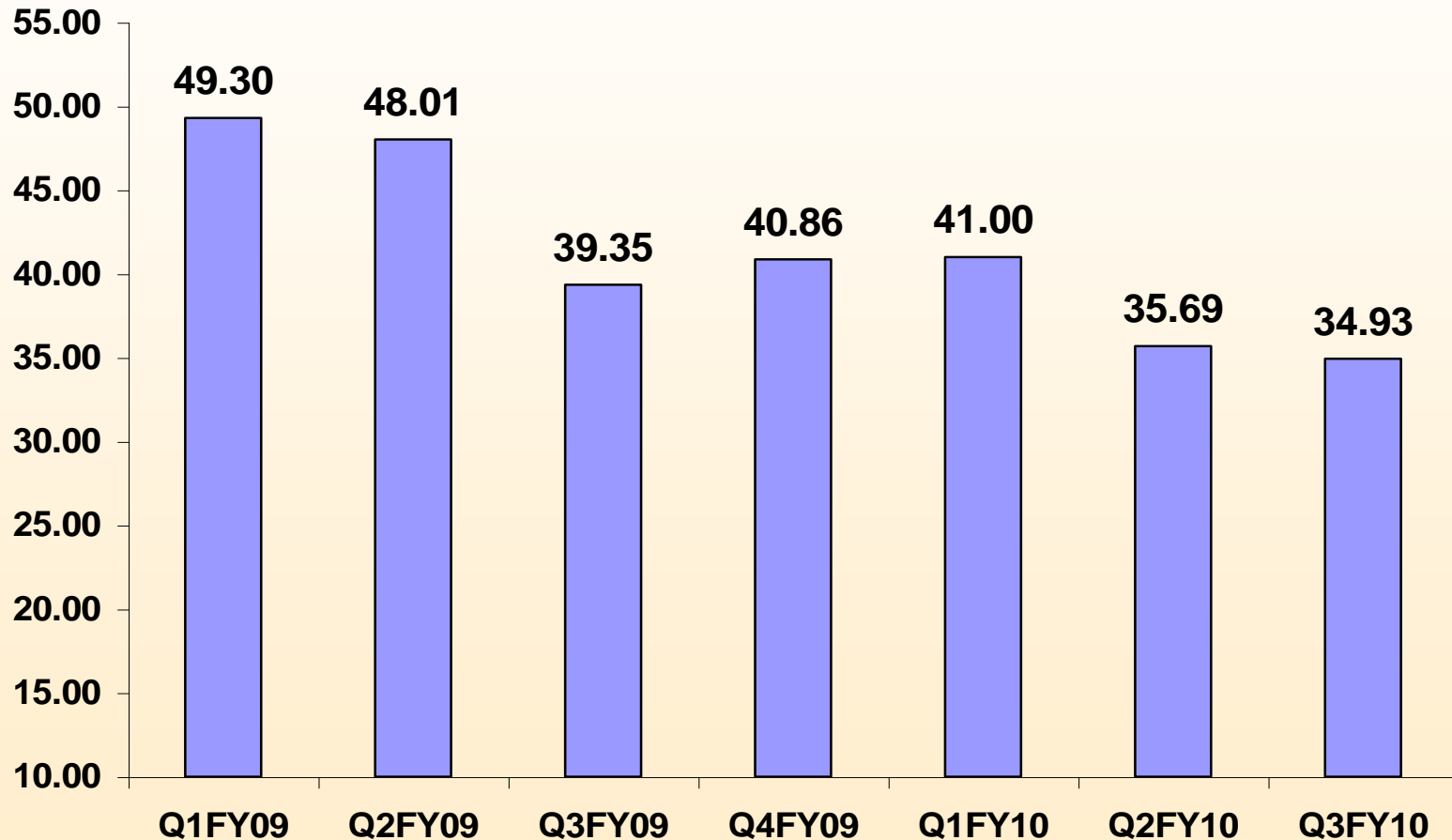
Amt. in Rs. Crore

	<u>9mFY10</u>	<u>9mFY09</u>	<u>Growth</u>	<u>Q3 FY10</u>	<u>Q3 FY09</u>	<u>Growth</u>
Total Exp.	12173	11239	8.3%	3999	4169	-4.1%
Int. Exp.	9872	9053	9.1%	3210	3381	-5.1%
Op. Expense	2300	2186	5.2%	789	788	0.2%
Staff Expense	1396	1347	3.6%	475	504	-5.6%
Cost-Income Ratio (%)	36.92	44.82	-790 bps	34.93	39.35	-442 bps

Enterprise wide cost saving and cost control awareness

DECLINE IN COST-INCOME RATIO

Cost-Income Ratio (in %)



PROFIT GROWTH

Amt. in Rs. Crore

	<u>9mFY10</u>	<u>9mFY09</u>	<u>Q3 FY10</u>	<u>Q3 FY09</u>
Operating Profit	3930	2691	1470	1214
<i>Growth</i>	46.1%	33.2%	21.1%	60.2%
Provisions	1412	1338	417	513
<i>incl Prov for Taxation</i>	600	300	250	160
Net Profit	2518	1354	1053	702
<i>Growth</i>	86.1%	23.0%	50.1%	52.9%
RoAA (%)	1.47	0.93	1.85	1.45
EPS (Rs.) <i>(Not Annualized)</i>	61.43	33.01	25.67	17.11

EARNINGS PROFILE

Amt. in Rs. Crore

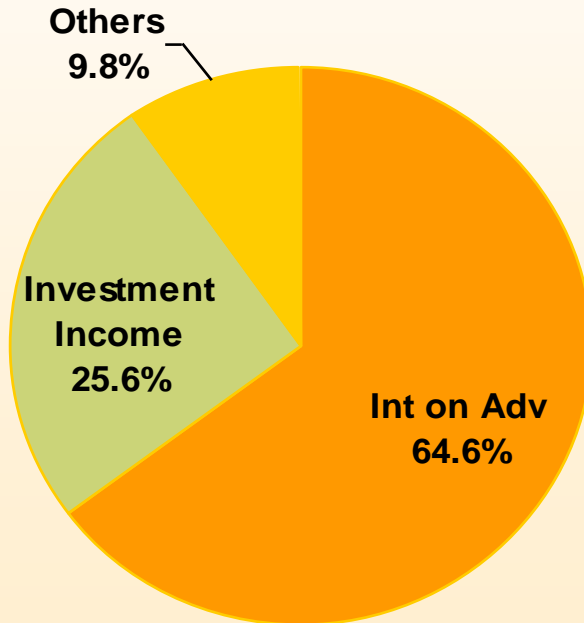
	<u>9mFY10</u>	<u>9mFY09</u>	<u>Q3 FY10</u>	<u>Q3 FY09</u>
Net Int. Income	4083	3412	1478	1244
Y-o-Y Growth	19.7%	30.5%	18.8%	33.2%
Net Int. Margin (NIM) (%)	2.71	2.75	2.71	2.75

NIM Sustained

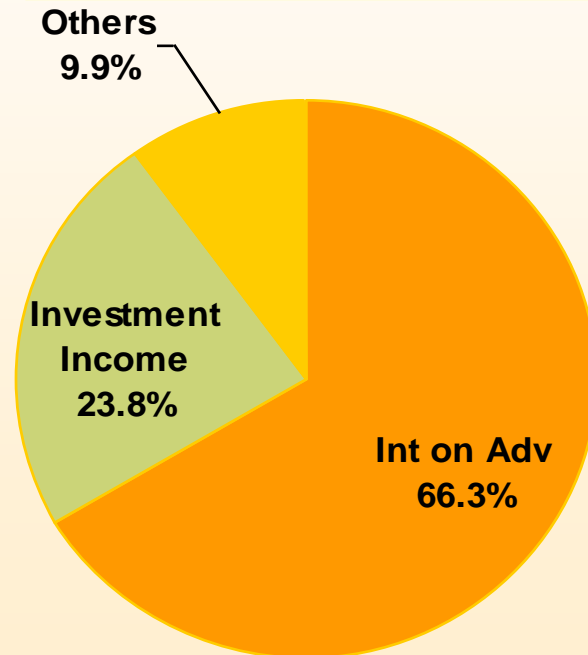
MAJOR COMPONENTS OF INCOME

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

9m FY10 (Dec'09)



9m FY 09 (Dec'08)



BREAK-UP OF OTHER INCOME

Rs. in Crore

	FY 10		FY 09	
	9m	Q3	9m	Q3
Total Other Income	2148	781	1465	757
Commission & Exchange	511	184	441	137
Profit from Exchange Trans	171	61	160	85
Trading Profit	759	295	326	344
Dividend Income	72	28	27	3
Recovery in w/off A/cs	257	106	220	65
Other Misc. Income	378	107	291	123
of the above ..				
Fee Income	998	331	818	291

Fee-based Income Grew by 22%

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

CANARA ROBECO



BREAK-UP OF PROVISIONS

	In Rs Crore			
	FY 10		FY 09	
	9m	Q3	9m	Q3
Total Provision & Contingencies	1412.01	417.41	1337.57	512.57
Of Which:				
Non Performing Advances	830.00	371.00	650.00	357.00
Provision for Investments	-334.99	-302.59	387.57	-7.43
Taxation	600.00	250.00	300.00	160.00

PROFITABILITY RATIOS (%)

	<u>Dec'08</u> (9M FY09)	<u>Mar'09</u> (FY09)	<u>Jun'09</u> (Q1 FY10)	<u>Sep'09</u> (H1 FY10)	<u>Dec'09</u> (9m FY10)
Cost of Deposits	6.81	6.87	6.48	6.47	6.25
Yield on Advances	10.69	10.79	10.05	10.02	10.01
Cost of Funds	6.23	6.32	6.00	5.98	5.77
Yield on Funds	8.57	8.72	8.37	8.32	8.16
Spread	2.34	2.40	2.37	2.34	2.39
Net Interest Margin	2.75	2.78	2.70	2.66	2.71

PRODUCTIVITY RATIOS

	<u>Dec'09</u>	<u>Dec'08</u>
Business per Employee (Rs. Crore)	8.58	7.22
Business per Branch (Rs. Crore)	118.57	111.43
Gross Profit per Employee (Rs. Lakh)	12.62	8.53
Net Profit per Employee (Rs. Lakh)	8.09	4.29

Highest Per Branch Business among Peers

INVESTMENT PORTFOLIO

Amt. in Rs. Crore

	<u>Dec'09</u>	<u>Dec'08</u>
Net Investments (Domestic)	69717	52420
	53236	37430
Held to Maturity	(76.4%)	(71.4%)
	15936	14506
Available for Sale	(22.9%)	(27.7%)
	545	484
Held for Trading	(0.8%)	(0.9%)

Figures in the brackets are percentage shares in total

ASSET QUALITY

	<u>Dec'09</u>	<u>Dec' 08</u>
Gross NPA (Rs. Crore)	2619	2378
<i>Gross NPA Ratio (%)</i>	<i>1.77</i>	<i>1.84</i>
Net NPA (Rs. Crore)	1976	1654
<i>Net NPA Ratio (%)</i>	<i>1.34</i>	<i>1.28</i>

Provision Coverage Ratio at 74.04%

Intensive Thrust on Credit Monitoring and Containing Slippages



COMFORTABLE CAPITAL POSITION

- CRAR of **14.44%** at Dec'09

...well above the regulatory minimum of 9%

...Tier I ratio at 9.20%

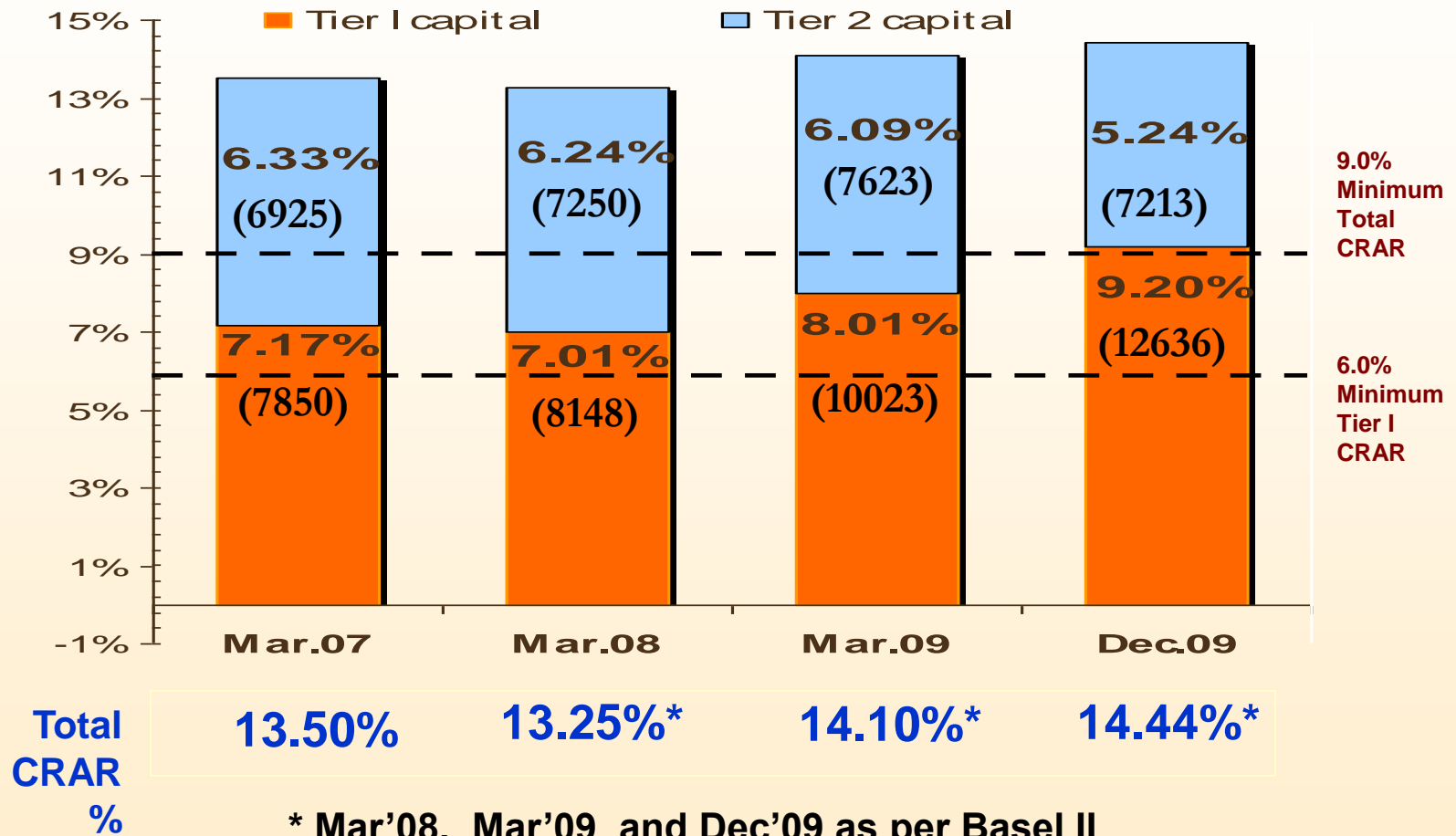
...Tier II ratio at 5.24%

- **Medium Term Objective .. CRAR of above 12%**

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

Adequate Headroom for Capital Augmentation

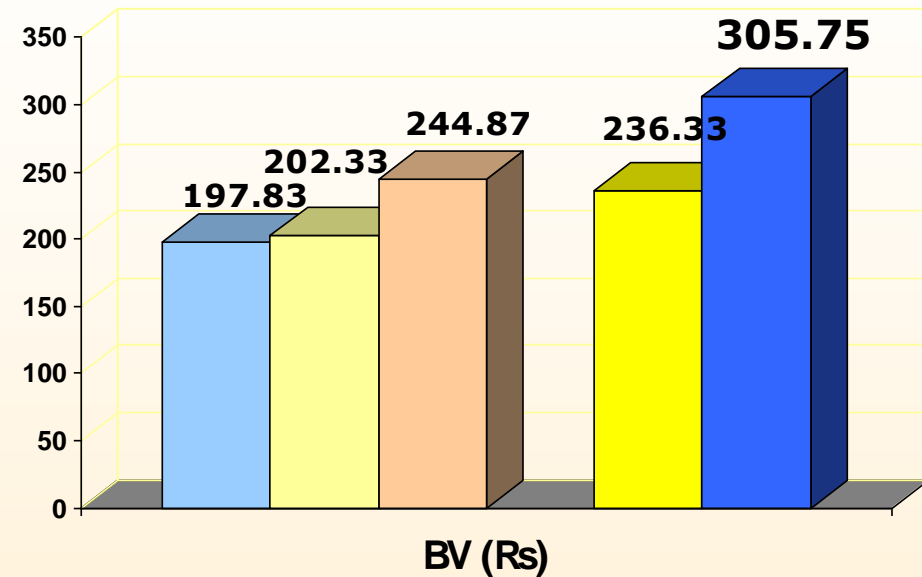
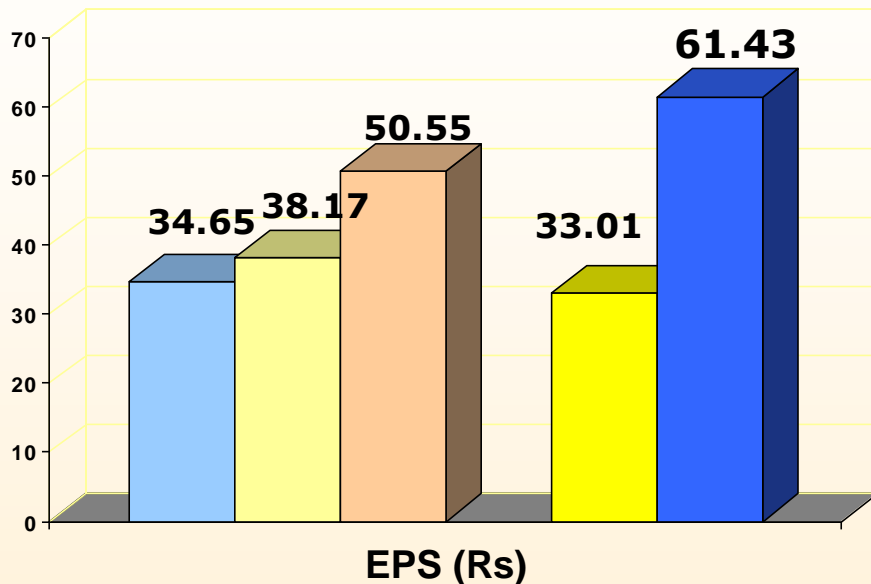
CAPITAL ADEQUACY – Basel II



* Mar'08, Mar'09 and Dec'09 as per Basel II

(Figures in the brackets are amt. in Rs. Crore)

EARNINGS PROFILE



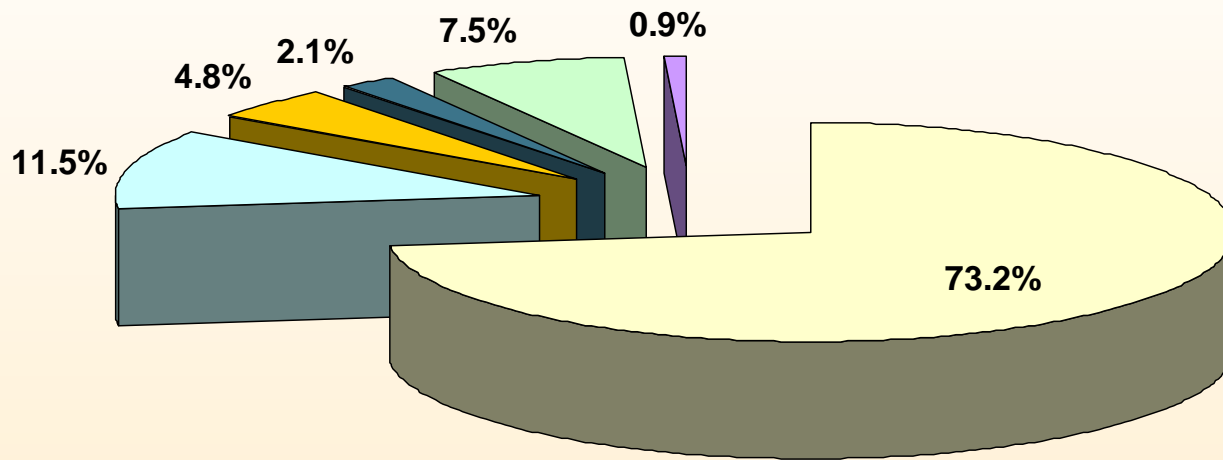
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Continues to Sustain High Levels of Earnings
Book Value (BV) and Earnings Per Share (EPS) show consistent
rise

EPS for December Quarters (Not Annualized)

SHARE HOLDING PATTERN

As on December 31,
2009



□ Govt of India □ FIIs □ Resident Individuals □ MFs □ IFIs □ Others

BUSINESS FOCUS

CORE DEPOSITS GROWTH

Amt. in Rs.

	<u>Dec'09</u>	<u>Dec'08</u>	<u>Y-o-Y Gr</u>
Core Deposits	182348	124099	46.9%
Retail Term Deposits	122428	72004	70.0%
High Cost Bulk Deposits	3276	40693	-91.9%
CASA per branch	19.94	19.11	
Deposits Clientele (Mn)	32.20	30.02	2.18 Mn

Highest Per Branch CASA Deposit among Peers

CREDIT FOCUS

Amt. in Rs. Crore

	<u>Dec'09</u>	<u>Dec'08</u>	<u>Y-o-Y Gr</u>
Priority Sector Credit	54893	45972	19.4%
Agriculture Credit	22880	18904	21.0%
MSME Advances	28427	21440	32.6%
Retail Lending	21462	17970	19.4%
Housing	8464	6668	26.9%
Infrastructure Advances	26502	16135	64.3%
Adv Clientele (Mn)	4.20	3.96	0.24 Mn

Well Diversified Credit Portfolio
Focus on Productive Sectors

- Education Loans up by 28% y.o.y
- Outstanding Education Loans at **Rs.2791 crore**
- The portfolio covers over 1.65 lakh students
- On-line Education Loan application in web portal

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

EXPANDING THE REACH

	<u>Dec'09</u>	<u>Dec'08</u>	<u>Y-o-Y Incr</u>
Branch Network	3005	2726	279
ATM Strength	2017	2016	
Card Base (In Lakh)	46.75	41.60	5.15

Strategic Initiatives

- Focus on Expanding Domestic Branch Network
- **Addition of 273 branches** during the current financial so far
- Thrust on Savings deposits: Ongoing Mega '**Savings Utsav**' Campaign
- 9.27 lakhs new SB accounts added during '**Savings Utsav**'



DEDICATING 104 BRANCHES TO THE NATION

ON 10th Nov 2000



Inauguration of 104 branches across India by Hon'ble Union Finance Minister in New Delhi

EXPANDED CLIENTELE BASE

	<u>Dec'09</u>	<u>Dec'08</u>	<u>Y-o-Y Incr</u>
Clientele Base in Mn	36.40	33.98	2.42
- No of Deposit a/cs (Mn)	32.20	30.02	2.18
- No of Borrowal a/cs (Mn)	4.20	3.96	0.24

Over 36 million strong clientele base

INFOTECH PROGRESS

	<u>Dec'09</u>	<u>Dec'08</u>
Core Banking Branches	1768	1049
Anywhere Banking Branches	2086	2037
Internet & Mobile Banking Branches	1918	1358
NEFT and RTGS	All Branches	

90% Business under Core Banking Branches

Financial & Business Movement

TREND IN COST, YIELD AND MARGIN

	Sep '08	Dec'08	Mar'09	Jun'09	Sep '09	Dec'09
Cost of Deposits	6.60%	6.81%	6.87%	6.48%	6.47%	6.25%
Cost of Funds	6.07%	6.23%	6.32%	6.00%	5.98%	5.77%
Yield on Advances	10.50%	10.69%	10.79%	10.05%	10.02%	10.01%
Yield on Funds	8.39%	8.57%	8.72%	8.37%	8.32%	8.16%
Yield on Investments	7.91%	7.97%	7.94%	7.76%	7.68%	7.57%
NIM	2.70%	2.75%	2.78%	2.70%	2.66%	2.71%

PROVISIONS & CONTINGENCIES

Amt. in Rs. Crore

	Sep '08 (Q2)	Dec'08 (Q3)	Mar'09 (Q4)	Jun'09 (Q1)	Sep '09 (Q2)	Dec'09 (Q3)
Total Provisions	244	513	554	486	509	417
Standard Assets	20	-35	-	-	8	9
NPAs	153	357	250	216	243	371
Prov. For Investments	-6	-7	20	-	-32	-303
Taxation	100	160	200	150	200	250
Others	-23	38	84	120	90	90

PROFIT MOVEMENT

Amt. in Rs. Crore

	Sep '08 (Q2)	Dec'08 (Q3)	Mar'09 (Q4)	Jun'09 (Q1)	Sep '09 (Q2)	Dec'09 (Q3)
Net Profit	529	702	719	555	911	1053
Gross Profit	774	1214	1273	1041	1419	1470
RoAA	1.13%	1.45%	1.47%	1.02%	1.63%	1.85%

COMPOSITION OF DEPOSITS

Amt. in Rs. Crore

Details	Sep '08	Dec'08	Mar'09	Jun'09	Sep '09	Dec'09	% growth (yo.y)
TOTAL DEPOSITS	171510	174839	186893	193657	204284	208899	19.5%
Savings a/c	38872	39987	41811	41756	44309	45918	14.8%
Current Dep	14441	12108	14357	12099	14293	14002	15.6%
CASA (Global)	53313	52094	56168	53855	58602	59920	15.0%
CASA (Domestic)	31.96%	30.44%	30.70%	28.30%	29.19%	29.48%	
Retail Term Dep	62868	72004	93959	107100	118044	122428	70.0%
Core Deposits	116181	124099	150127	160955	176646	182348	46.9%

COMPOSITION OF ADVANCES

Amt. in Rs. Crore

	Sep '08	Dec'08	Mar'09	Jun'09	Sep '09	Dec'09	Y-o-Y Increase
Net Advances	119314	128920	138219	140668	146456	147412	14.3%
Priority Sector Adv	44946	45972	48763	50217	53026	54893	19.4%
% to ANBC	42.4%	43.4%	46.02%	37.18%	39.3%	40.7%	
Agriculture Adv	18798	18904	20144	20675	22583	22880	21%
% to ANBC	17.5%	17.5%	19.01%	15.31%	16.6%	16.9%	
MSME Advances	20323	21440	23823	23652	27029	28427	32.6%
Retail lending	17766	17970	19798	19819	20608	21462	19.4%
Housing Direct	6564	6668	7896	7975	8230	8464	26.9%
Infrastructure	15135	16135	17313	21027	24173	26502	64.3%



DURATION OF INVESTMENT PORTFOLIO

Duration of AFS book and Total Investment book

Details	Dec '08	Mar'09	Sep '09	Dec '09
Duration of AFS Book	1.54 years	1.96 yrs	2.27 years	2.40years
Duration of HTM Book	5.09 years	4.93 yrs	5.78 years	5.70 years
Duration of Total Investment Book	4.15 years	4.23 yrs	5.18 years	5.16 years

Modified Duration of AFS book and Total Investment book

Details	Dec '08	Mar'09	Sep '09	Dec '09
Modified duration of AFS Book	1.48 years	1.87 years	2.14 years	2.26 years
Modified duration of Total Investment Book	4.03 years	4.76 years	4.98 years	4.96 years

DETAILS OF FEE INCOME

	Dec '08		Mar'09	Dec '09		% growth
	Q3 FY 09	9 mths	Annual	Q3 FY 10	9 mths	y-o-y
Total Fee Income	291	818	1222	331	998	22%
Comm on LCs & Guarantee	74	201	290	95	256	26.9%
Comm on DDs/OSCs	45	142	183	34	108	-23.9%
Govt Business	9	29	48	11	32	10.3%
Bancassurance	5	11	14	16	40	263.0%
Service Charges	104	283	425	101	335	18.4%
Safe Deposit Locker Rent	3	29	32	3	35	20.7%
Miscellaneous	51	123	230	71	192	56.9%

SPECIAL RESTRUCTURING SCHEME

JUN-09	No. of accounts	Amount (Rs in Crore)	% Share
Agriculture	43233	507.77	9%
MSME	4982	521.73	9%
Housing Loans	12834	477.56	8%
Large Advances	140	1723.11	31%
Others	32014	2402.36	43%
Total	93213	5632.53	100%

PLANS FOR FY10

- Total Business of Rs.4,00,000 crore by Mar'10
 - ... Rs.2,25,000 crore under Deposits
 - ... Rs.1,75,000 crore under Advances
 - Focus on Core Business and Core Income Growth
 - Further CBS rollout of branches/units
 - Increasing technological automation
 - Expanding global footprints
- ... One Representative Office at *Sharjah* and a branch at *Leicester* in the U.K slated for opening during the financial



THANK YOU