

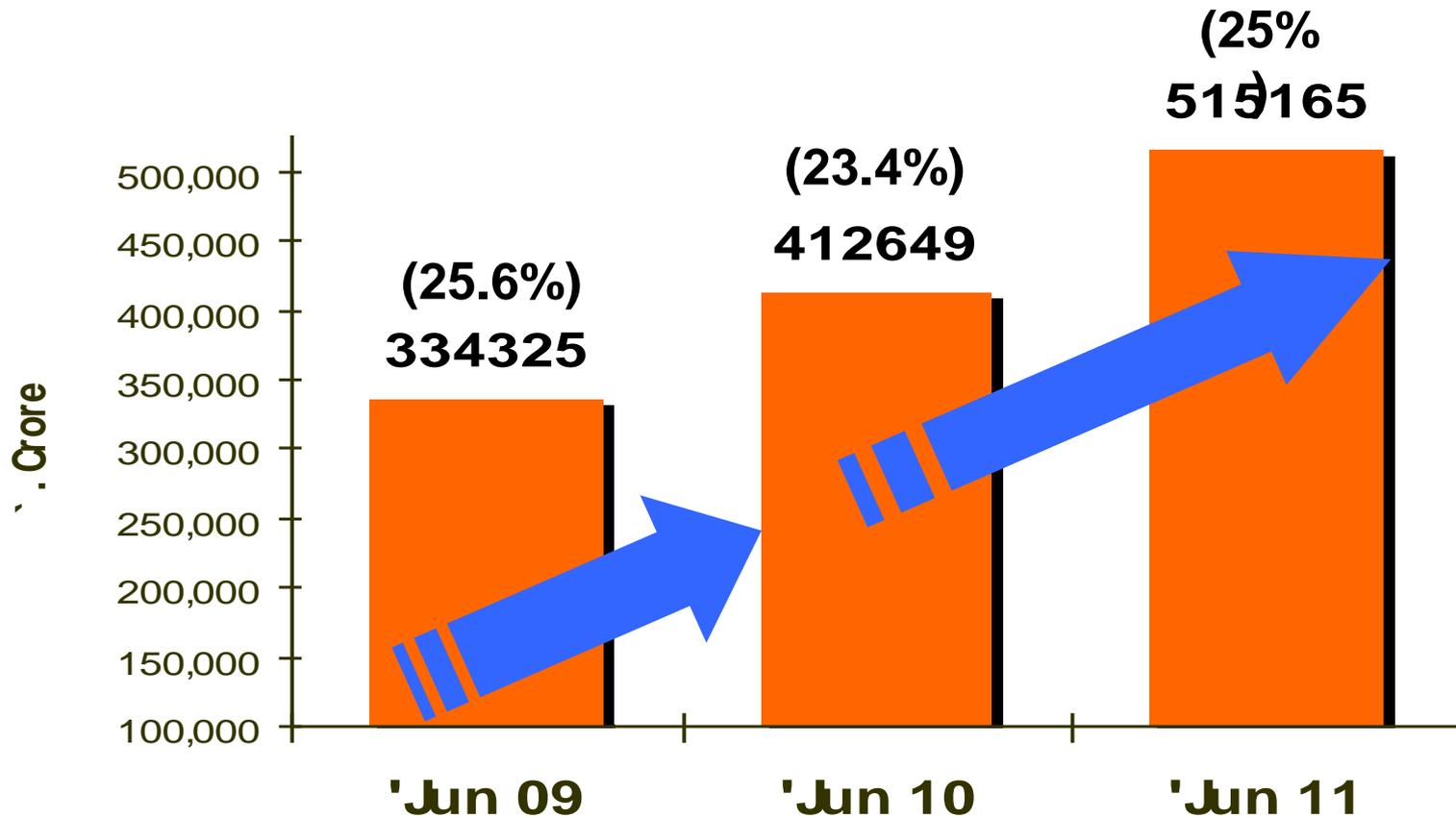
PERFORMANCE HIGHLIGHTS

JUNE 2011

Major Highlights- Q1 FY12

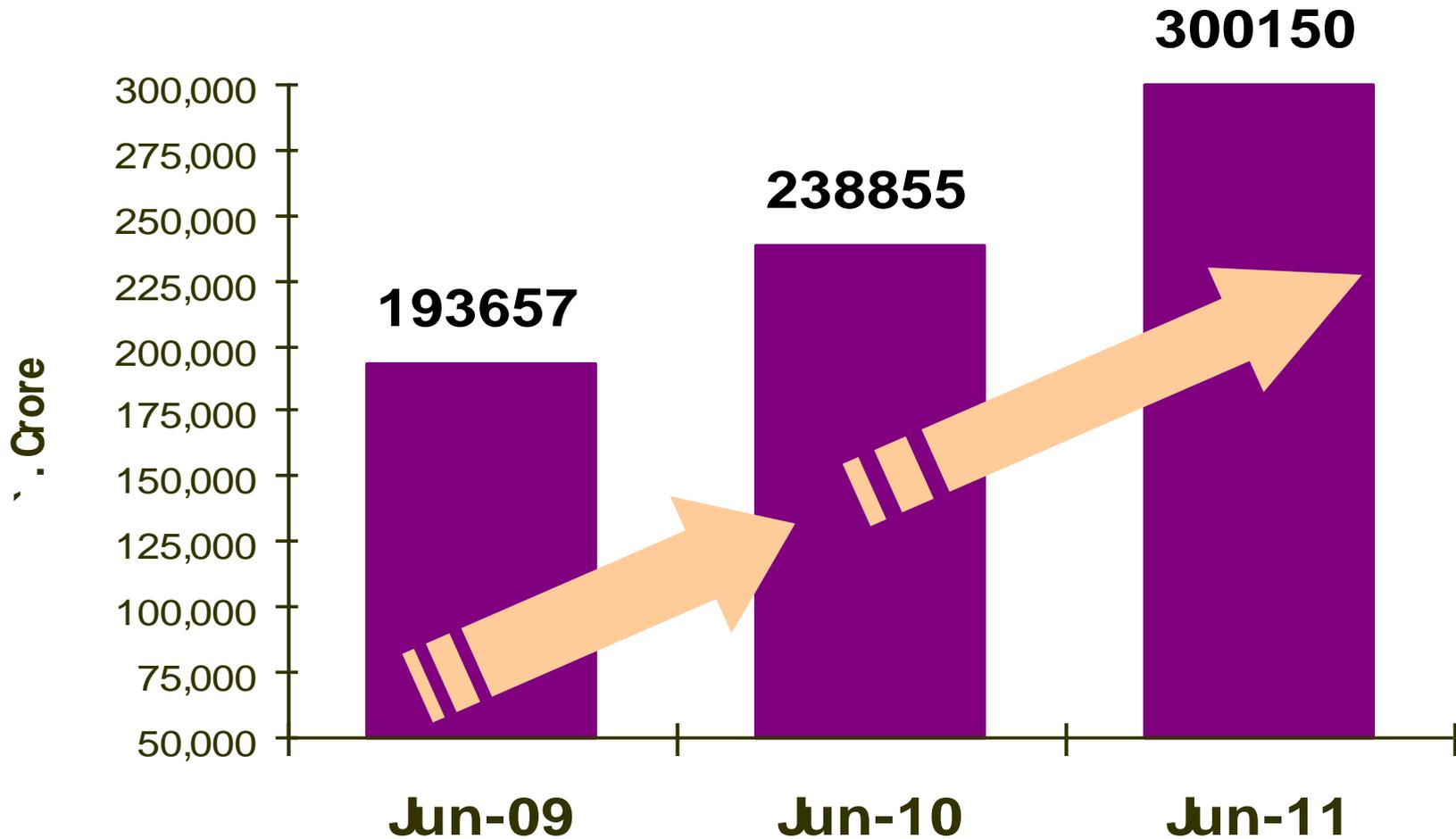
- Sustained Performance..Steady Growth
- Total Business crossed ` 515000 Crore, up by 25%
- Return on Assets at 0.88%
- Capital Adequacy Ratio at 13.37%
- Tier I Capital Ratio at 9.59%
- Record Cash Recovery at ` 750 crore
- Introduced Mobile Banking on 6th June 2011
- 20 New Branches and 293 ATMs added during Q1
- System Driven NPA above `2 lakhs implemented

TOTAL BUSINESS



**Over ` 1 lakh Crore Business Added
Y.o.Y Growth at 25%**

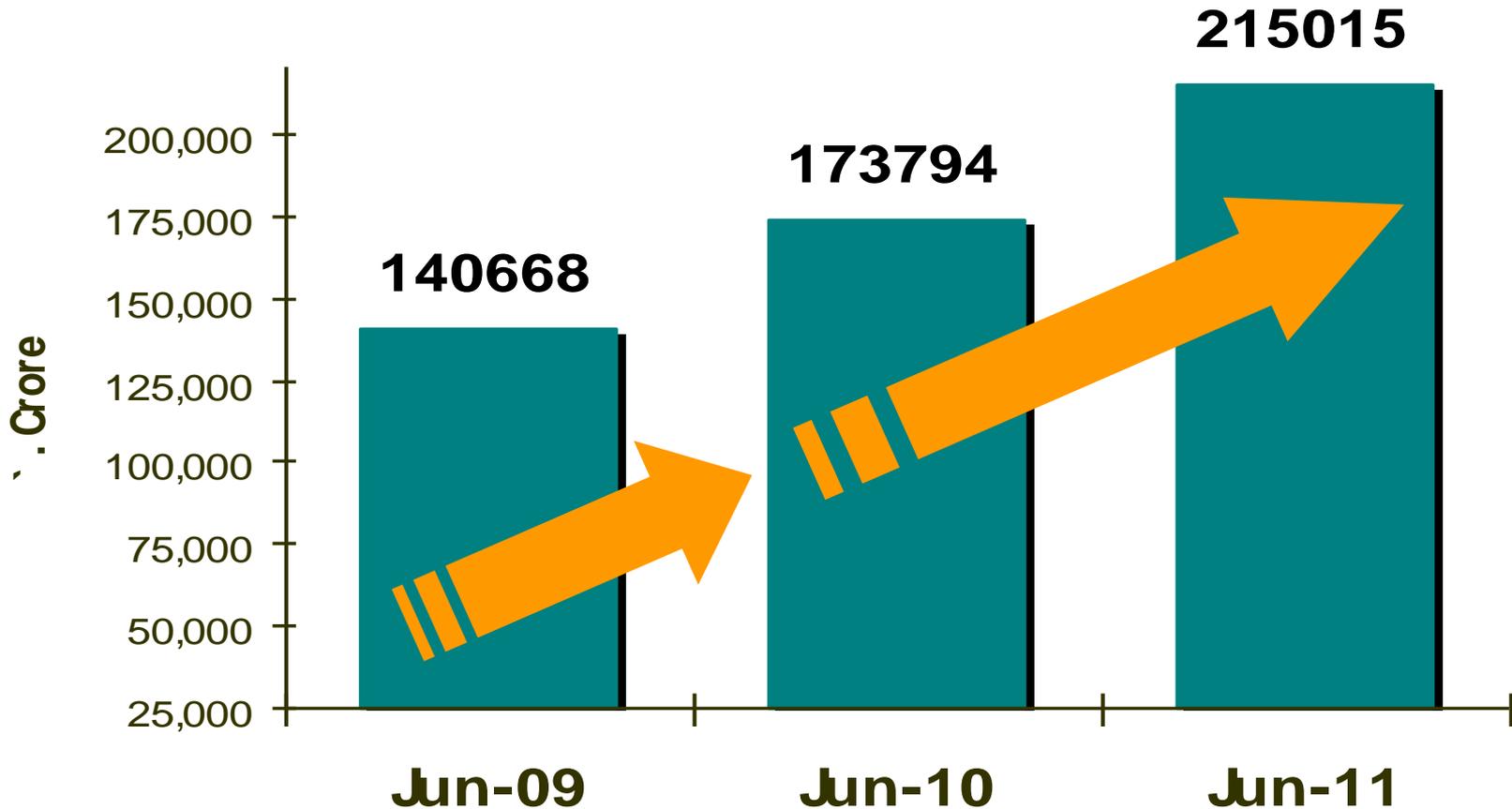
TOTAL DEPOSITS



Y.o.Y Growth at 25.7%

Domestic Growth at 25% against SCBs' 17.7%

NET ADVANCES



Y.o.Y Growth at 23.7%
Domestic Growth 27.6% against SCBs' 19.6%

PROFIT

Amt. in ` Crore

| | June 2010 | June 2011 | Y-o-Y Growth |
|----------------------|-----------|-----------|--------------|
| Interest Income | 5161 | 7181 | 39.1 |
| Interest Expenditure | 3433 | 5388 | 56.9 |
| Net Interest Income | 1728 | 1793 | 3.8 |
| Non-Interest Income | 734 | 527 | -- |
| Operating Expenses | 978 | 1050 | 7.3 |
| Operating Profit | 1483 | 1270 | -- |
| Total Provisions | 470 | 545 | -- |
| Net Profit | 1013 | 726 | -- |

Lower Net Profit on account of decline in trading income, additional provision on NPA and restructured assets as per the RBI Norms

PROVISIONS

Amt. in ` Crore

| | June 2010 | June 2011 |
|--------------------------|-------------|-------------|
| Operating Profit | 1483 | 1270 |
| Provisions | 470 | 545 |
| <i>Provision for NPA</i> | <i>131</i> | <i>285</i> |
| <i>Prov for Taxation</i> | <i>250</i> | <i>200</i> |
| Net Profit | 1013 | 726 |

INCOME

Amt. in ` Crore

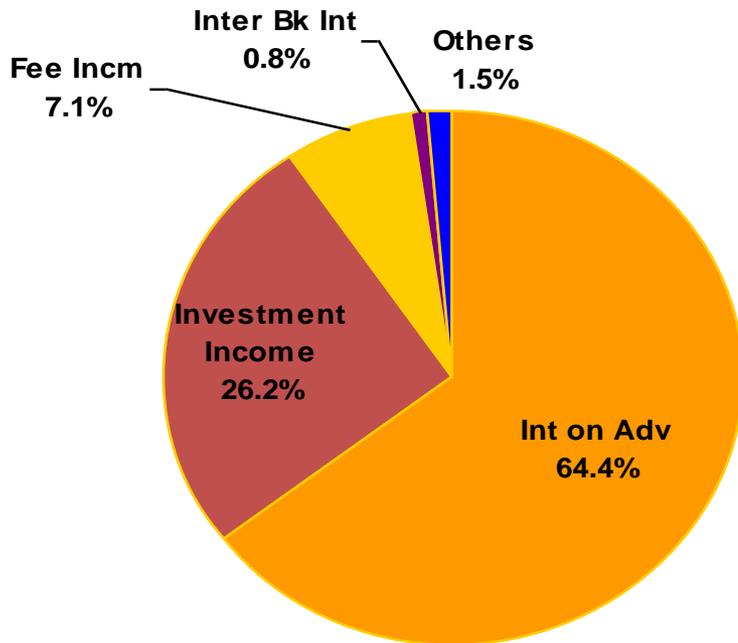
| | June'10 | June'11 | Growth |
|----------------------------|-------------|-------------|--------------|
| Total Income | 5895 | 7708 | 30.8% |
| Int. Income | 5161 | 7181 | 39.1% |
| Int. Loans/Advances | 3794 | 5483 | 44.5% |
| Non-Int. Income | 734 | 527 | -- |

Good Income Growth

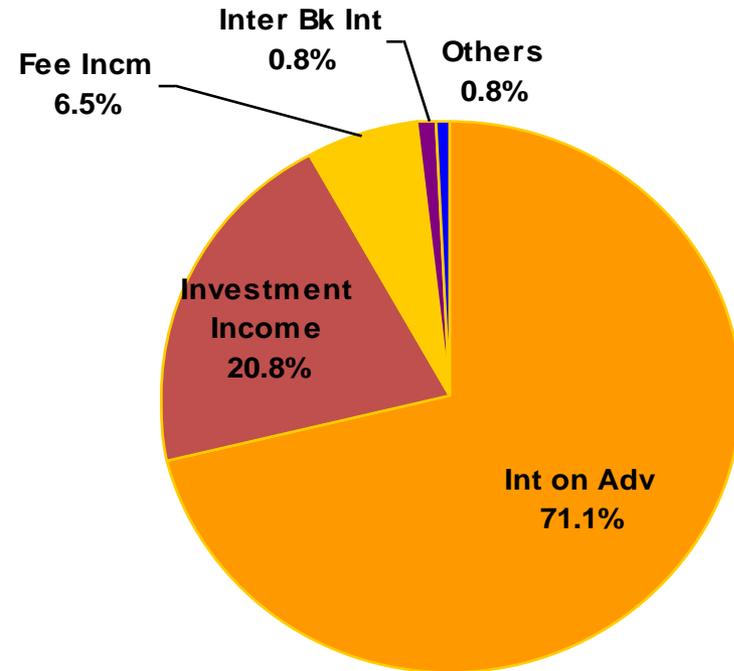
MAJOR COMPONENTS OF INCOME

Interest Income continues to drive growth in income .. over 70% of earnings from int on advances

June 2010



June 2011



BREAK-UP OF OTHER INCOME

(` in Crore)

| | Jun'10 | Jun'11 |
|----------------------------------|---------------|---------------|
| Total Other Income | 733.97 | 526.84 |
| Commission & Exchange | 163.78 | 173.85 |
| Profit from Exchange Transaction | 74.35 | 96.00 |
| Trading Profit | 223.95 | -76.97 |
| Dividend Income | 35.38 | 62.47 |
| Recovery in w/off A/cs | 88.00 | 66.28 |
| Other Misc. Income | 148.51 | 205.21 |
| of the above .. | | |
| Fee Income | 421 | 499 |

EXPENDITURE

Amt. in ` Crore

| | Jun' 10 | Jun' 11 | Growth |
|--------------------------|-------------|-------------|--------------|
| Total Expenditure | 4412 | 6437 | 45.9% |
| Int. Expenditure | 3433 | 5388 | 56.9% |
| Op. Expenses | 978 | 1050 | 7.3% |
| Staff Expenses | 661 | 668 | 1.0% |

Int. Expenses Higher due to Rise in Int. on Term Deposits

EARNINGS PROFILE

Amt. in ` Crore

| | Jun 10 | Jun 11 |
|------------------------|---------------|---------------|
| Net Int. Income | 1728 | 1793 |
| NIM (%) | 3.01 | 2.42 |
| ROAA (%) | 1.55 | 0.88 |
| ROE (%) | 31.06 | 16.78 |
| EPS (`) | 24.72 | 16.38 |
| Book Value (`) | 330.83 | 420.97 |

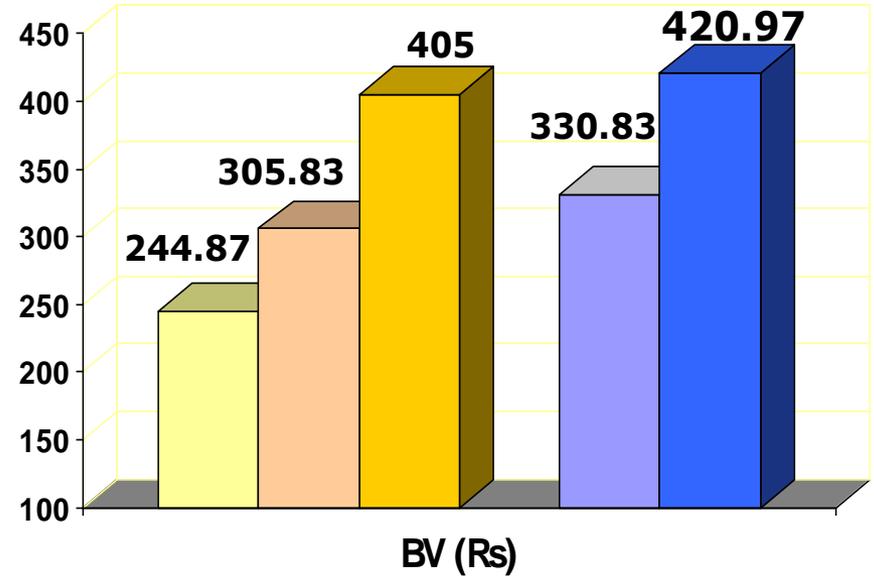
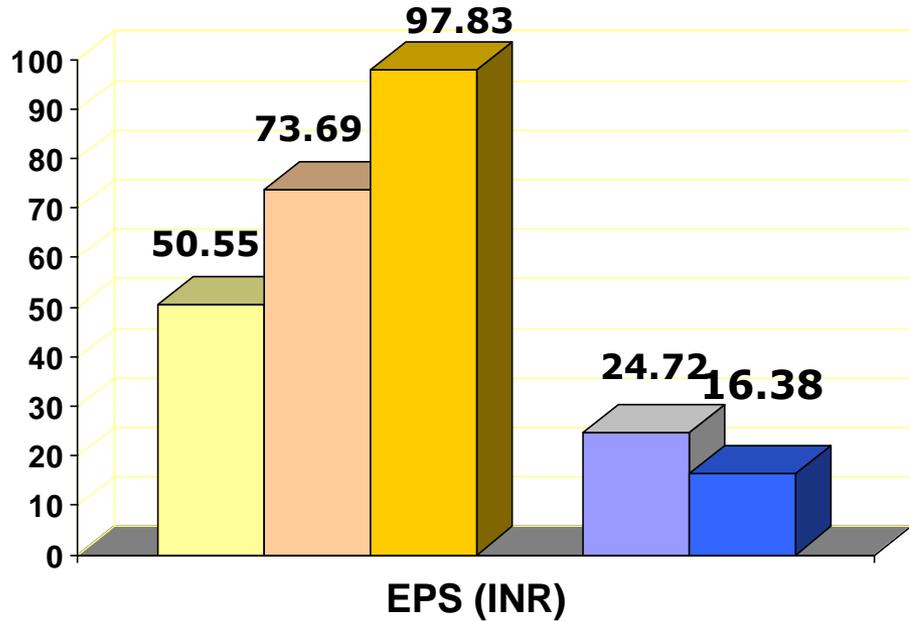
NIM Impacted by Continued Uptrend in Int. Rate Scenario
Cost of Deposits Rose Higher than Yield on Advances

TREND IN COST AND YIELD (%)

| | Jun'10 | Sep'10 | Dec'10 | Mar'11 | Jun'11 |
|-----------------------------|--------|--------|--------|--------|--------|
| Cost of Deposits | 5.69 | 5.69 | 5.66 | 5.80 | 7.05 |
| Cost of Funds | 5.27 | 5.30 | 5.26 | 5.37 | 6.50 |
| Yield on Advances | 9.35 | 9.61 | 9.67 | 9.73 | 10.50 |
| Yield on Funds | 7.92 | 8.12 | 8.12 | 8.13 | 8.66 |
| Yield on Investments | 7.54 | 7.61 | 7.68 | 7.72 | 7.86 |

Cost of Deposits increased by 136 bps higher than Yield on Advances, which rose by 115 bps

EARNINGS PROFILE



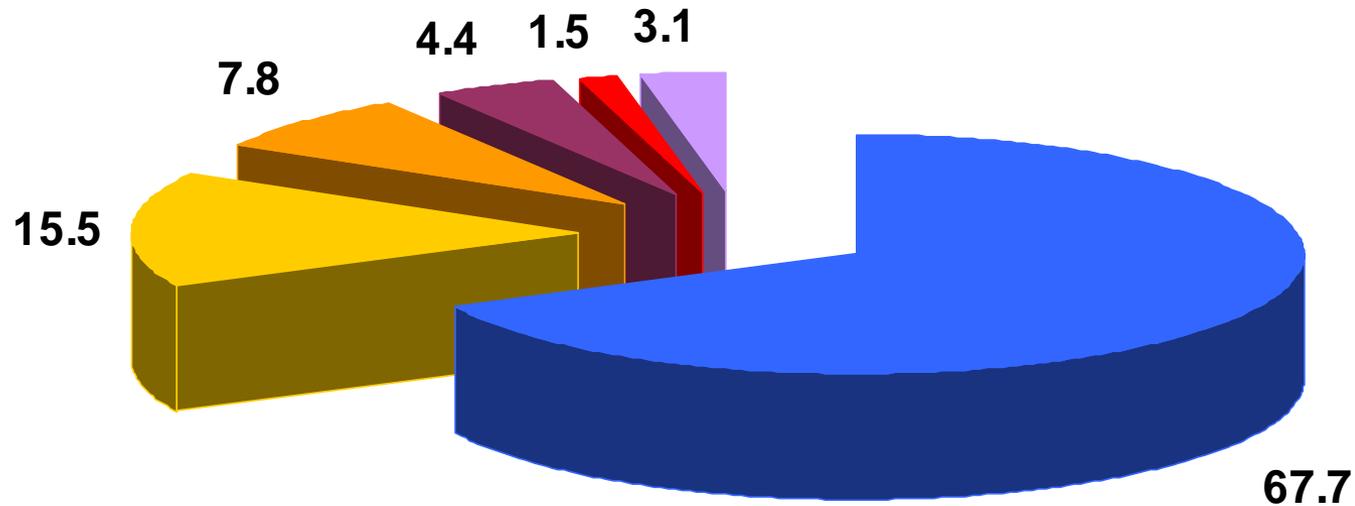
■ Mar-09 ■ Mar-10 ■ Mar-11 ■ Jun-10 ■ Jun-11

■ Mar-09 ■ Mar-10 ■ Mar-11 ■ Jun-10 ■ Jun-11

EPS for June Quarters (Not Annualized)

SHARE HOLDING PATTERN

As on June 30, 2011



■ Govt of India ■ FIIs ■ Insurance Companies ■ Resident Individuals ■ Banks ■ Others

BUSINESS PROFILE

Amt. in ` Crore

| | Jun'10 | Jun'11 | Y-o-Y Gr |
|------------------------|---------------|---------------|--------------|
| Global Business | 412649 | 515165 | 25.0% |
| Total Deposits | 238855 | 300150 | 25.7% |
| Net Advances | 173794 | 215015 | 23.7% |
| CD Ratio (%) | 72.76 | 71.64 | -- |

Robust Business Growth of over ` 1 lakh Crore
Overseas Business Constituted 4.41%

COMPOSITION OF DEPOSITS

Amt. in ` Crore

| | June'10 | June'11 | Y-o-Y Gr |
|-------------------------|---------------|---------------|--------------|
| Savings Deposits | 53565 | 60912 | 13.7% |
| CASA Deposits | 69350 | 76105 | 10.0% |
| Term Deposits | 169505 | 224045 | 32.2% |
| CASA Per Branch | 22.69 | 23.22 | 2.34% |

Moderate Growth in CASA

CREDIT FOCUS

| | Amt. in ` Crore | | |
|-------------------------|-----------------|---------|----------|
| | June'10 | June'11 | Y-o-Y Gr |
| Priority Sector Credit | 57621 | 70973 | 23.2% |
| Agriculture Credit | 23170 | 30463 | 31.5% |
| MSME Advances | 31597 | 37000 | 17.1% |
| Retail Lending | 18393 | 24042 | 30.7% |
| Housing | 10101 | 15241 | 50.9% |
| Infrastructure Advances | 29733 | 35158 | 18.2% |
| Industrial Advances | 93677 | 119878 | 28.0% |

Well Diversified Credit Portfolio

- Education Loans grew by 20.6% y.o.y
- Outstanding Education Loans at `3590 crore
- The portfolio covers over 1.93 lakh students
- On-line Education Loan application in web portal

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



- Mobilised over 1.10 lakhs No-frill Accounts during Q1 FY12 .
.... **Cumulative No-frill Accounts 28.93 lakhs** (₹ 554.21 Cr)
- Issued over 3.24 lakhs **General Credit Cards** (₹ 513.56 Cr)
- 19 Exclusive **Micro-Finance Branches** to help Urban Poor
- Cumulative **SHG Tally** up at 3.51 Lakhs ..Credit Linked 3.27 Lakhs
- Total Exposure under SHG (₹ 1060 cr) spread over 87735 SHGs
- 10 **Financial Literacy and Credit Counselling Centres (FLCCs)** in Kerala, Tamil Nadu, Karnataka and Bihar.
- **'Canara Financial Advisory Trust'** to manage FLCCs
- 12 Rural Branches opened during Q1 to implement Financial Inclusion Programme

PRODUCTIVITY RATIOS

| | June'10 | June'11 |
|-------------------------------------------|---------------|---------------|
| Business per Employee (₹ Crore) | 10.17 | 12.56 |
| Business per Branch (₹ Crore) | 134.81 | 157.21 |
| Gross Profit per Employee (₹ Lakh) | 14.63 | 12.39 |
| Net Profit per Employee (₹ Lakh) | 9.99 | 7.08 |

**Jump in Business Per Employee
and Business Per Branch**

INVESTMENT PORTFOLIO

Amt. in ` Crore

| | June '10 | June'11 |
|-----------------------------------|----------------|----------------|
| Net Investments (Domestic) | 71354 | 86050 |
| | 57309 | 60053 |
| Held to Maturity | (80.3%) | (69.8%) |
| | 13642 | 25355 |
| Available for Sale | (19.1%) | (29.5%) |
| | 403 | 642 |
| Held for Trading | (0.6%) | (0.75%) |

Figures in the brackets are percentage shares in

| | Jun'10 | Jun'11 |
|-------------------|--------|--------|
| SLR Portfolio | 88.6% | 83.05% |
| Non SLR Portfolio | 11.4% | 16.95% |

DURATION OF INVESTMENT PORTFOLIO

Duration of AFS book and Total Investment book

| Details | Jun'10 | Jun'11 |
|-----------------------------------|----------|---------|
| Duration of AFS Book | 2.68 yrs | 2.80yrs |
| Duration of HTM Book | 6.23 yrs | 5.54yrs |
| Duration of Total Investment Book | 5.66 yrs | 4.87yrs |

Modified Duration of AFS book and Total Investment book

| Details | Jun'10 | Jun'11 |
|--------------------------------------------|----------|----------|
| Modified duration of AFS Book | 2.53 yrs | 2.67yrs |
| Modified duration of HTM Book | 6.00 yrs | 5.31 yrs |
| Modified duration of Total Investment Book | 5.44 yrs | 4.66yrs |

ASSET QUALITY

| | June'10 | June'11 |
|--------------------------------|-------------|-------------|
| Gross NPA (₹ Crore) | 2549 | 3606 |
| <i>Gross NPA Ratio (%)</i> | <i>1.46</i> | <i>1.67</i> |
| Net NPA (₹ Crore) | 1729 | 2871 |
| <i>Net NPA Ratio (%)</i> | <i>1.00</i> | <i>1.34</i> |
| Cash Recovery (₹ Crore) | 401 | 750 |

Movement of NPA

Amt. in ` Crore

| | June'10 | June'11 |
|---------------------|---------|---------|
| Opening Balance | 2590 | 3089 |
| Fresh Slippages (+) | 523 | 1373 |
| Upgradation (-) | 205 | 224 |
| Cash Recovery (-) | 342 | 402 |
| Write-off (-) | 17 | 230 |
| Closing Balance | 2549 | 3606 |

**Implemented System Driven NPA Classification
for A/Cs above ` 2 lakh**

Sectoral NPA

| | Amt. in ` Crore | |
|---------------------------|-----------------|-------------|
| | June'10 | June' 11 |
| Micro & Small Enterprises | 341 | 1149 |
| Agriculture | 377 | 835 |
| Other Priority Segments | 458 | 463 |
| Medium Enterprises | 150 | 182 |
| Large Industries | 425 | 583 |
| Non-Priority Segments | 718 | 394 |
| Total | 2470 | 3606 |

Amount Restructured During Q1 FY12

Amt. in ` Crore

| | No. of Accounts | Amount |
|----------------|-----------------|---------------|
| Agriculture | 157 | 7.11 |
| MSME | 378 | 62.28 |
| Housing | 8 | 1.43 |
| Large Advances | 2 | 263.44 |
| Others | 2017 | 85.26 |
| Total | 2562 | 419.52 |

Total Slippages during Q1 - ` 28.07 Crore

Total Restructured Accounts/Amts- June'11

Amt. in ` Crore

| | No. of Accounts | Amount |
|----------------|-----------------|----------------|
| Agriculture | 41122 | 606.87 |
| MSME | 4924 | 767.57 |
| Housing | 11094 | 529.49 |
| Large Advances | 2722 | 5180.40 |
| Others | 37124 | 1413.98 |
| Total | 96986 | 8498.31 |

Cumulative Slippages - ` 683.39 Crore

NPA Classification

Amt. in ` Crore

| | June' 10 | June' 11 |
|---------------------|-------------|-------------|
| Sub-Standard Assets | 1953 | 2053 |
| Doubtful Assets | 589 | 1527 |
| Loss Assets | 7 | 26 |
| Total NPA | 2549 | 3606 |

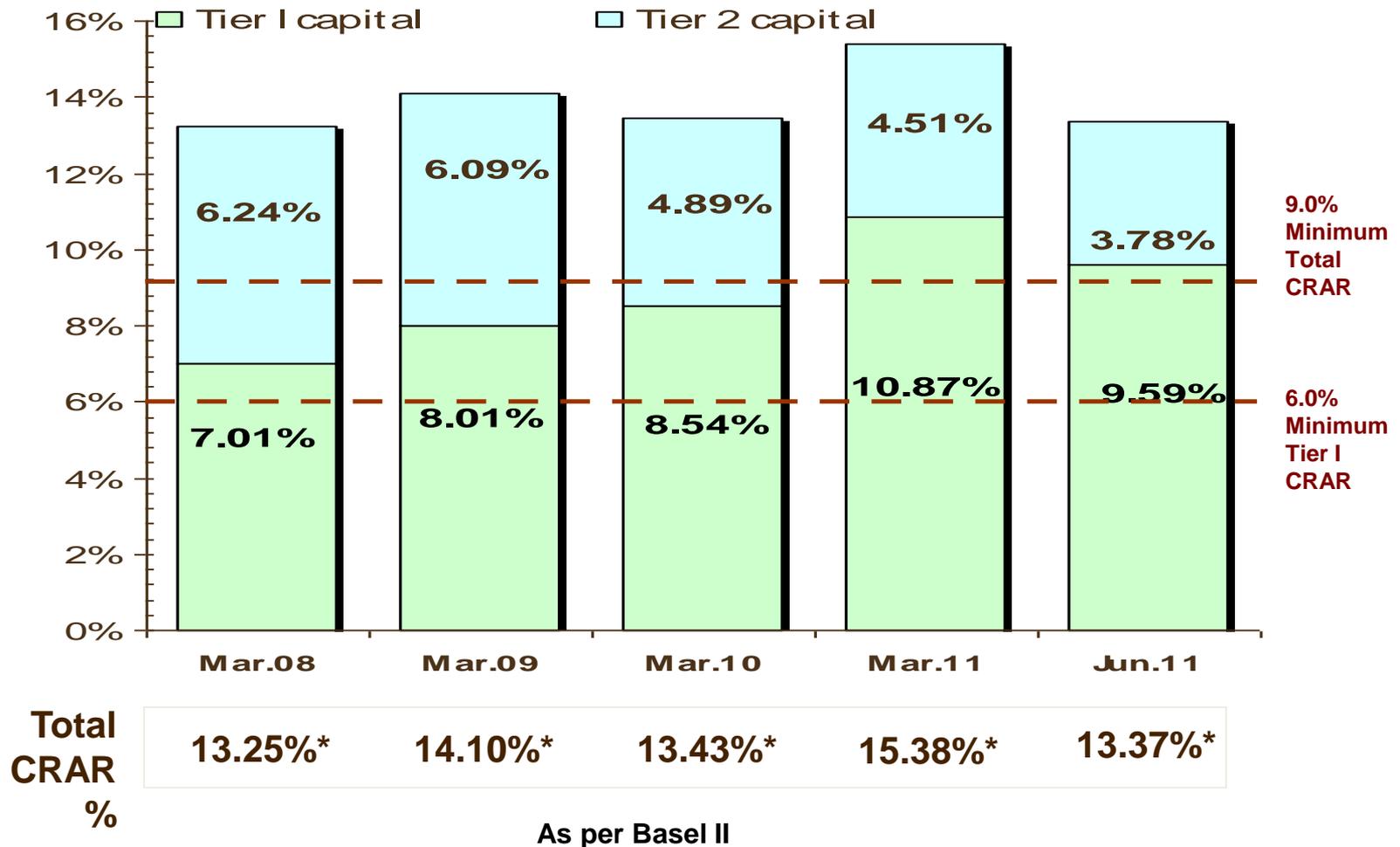


COMFORTABLE CAPITAL POSITION

- CRAR of **13.37%** at June'11
 - ...Tier I ratio at **9.59%**
 - ...Tier II ratio at **3.78%**
- Govt. holding -**67.72%**
- Paid-up Capital - ` **443 crore**
- Medium Term Objective .. CRAR of above **12%**

Adequate Headroom for further Capital Augmentation

CAPITAL ADEQUACY – Basel II



EXPANDING THE REACH

| | June'10 | Jun'11 | Y-o-Y Incr |
|---------------------|---------|--------|------------|
| Branch Network | 3061 | 3277 | 216 |
| ATM Strength | 2017 | 2509 | 492 |
| Card Base (In Lakh) | 55.50 | 61.33 | 5.83 |

Strategic Initiatives

- Branch Network Expanded by 216 and ATMs by 492.
- Addition of 20 branches and 293 ATMs during Q1 FY12.

EXPANDED CLIENTELE BASE

(In Lakhs)

| | Jun'10 | Jun'11 | Y-o-Y Incr |
|------------------------------|--------------|--------------|-------------|
| Clientele Base | 374.9 | 392.5 | 17.6 |
| - No of Deposit A/Cs | 330.3 | 347.7 | 17.4 |
| - No of Borrowal A/Cs | 44.6 | 44.8 | |

3.93 crore strong clientele base

Over 4.4 lakhs SB clientele added in Q1 FY12.

INFOTECH PROGRESS

June'11

Core Banking Branches

All Branches

Net & Mobile Banking Branches

All Branches

NEFT and RTGS

All Branches

100% Business under Core Banking Branches



LAUNCH OF MOBILE BANKING



**Smt. Shyamala Gopinath, then Deputy Governor, RBI
Launching Mobile Banking product of Canara Bank on 6th June 2011**

- **Aiming at a Total Business Growth of over 20% by Mar'12**
- **Over 250 new branches to be opened during FY12**
Out of which 100 rural branches to implement Financial Inclusion Plan
- **Significantly increase ATM strength.**
- **Steps for commencing Data Warehousing initiated**
- **Thrust on growing Retail Business- Retail Deposits and Retail Advances**
- **Plans to open Branches at *Manama, Bahrain, QFC-Qatar, South Africa, Germany, the USA, Brazil, Tanzania* and Representative Office in Tokyo, Japan**



THANK YOU