

PRESS RELEASE- FINANCIAL RESULTS- SEPTEMBER 2016

HEAD OFFICE, BENGALURU

26th October, 2016

Major Highlights

- Net profit for Q2 FY17 stood at ₹357 crore, sequentially up from ₹229 crore posted in Q1 FY17.
- Gross profit increased to ₹2141 crore, up by 10.13% y.o.y.
- Total expenditure declined by 4.63% y.o.y.
- Interest expenses, including interest paid on deposits reduced by 7.64% y.o.y.
- Cost of deposits came down to 6.38% from 6.45% as at June 2016 and 7.07% last year.
- CASA Deposits at ₹1.32 lakh crore, up by 13.57% y.o.y.
- CASA share (domestic) improved to 29.11% from 25.49% last year.
- Non-Interest Income grew by 47.20% to ₹1782 crore.
- % share of non-interest income in total income improved to 14.62 %, up from 9.70% a year ago.
- Gross NPA Ratio marginally up at 9.81% from 9.71% in June 2016 and 4.27% a year ago.
- Net NPA ratio at 6.69%, remained same level as at June 2016 and 2.90% a year ago.
- Cash Recovery during the quarter at ₹1040 crore, taking the cumulative figure to ₹1958 crore for the half year.
- Provision Coverage ratio at 51.75%, up from 50.82% in June 2016 and 59.81% a year ago.
- Net Interest Margin (NIM) (Domestic) at 2.35% and NIM (Global) at 2.19%.
- ROA improved to 0.21% and ROE improved to 4.44%.
- Capital adequacy ratio improved to 12.19%, up from 11.04% a year ago.
- Global Business reached ₹8.11 lakh crore comprising global Deposits of ₹4.84 lakh crore and net advances of ₹3.27 lakh crore.
- Sustained growth in retail assets (y.o.y)- Agriculture (14.42%), MSME (8.30%), Retail Lending (22.61%), Direct Housing (18.61%), Vehicle (17.38%), Education (15.95%) and Other Personal loans (17.03%).
- Total number of branches at 5868 and Number of ATMs at 10026.
- 39.94 lakhs Mobile Banking and 25.76 lakhs Net Banking users.
- Enhanced E-transactions ratio at 59.30%, up from 53.73% last year.

Income, Expenditure & Profit- Q2 FY17

- Total income stood at ₹12187 crore.
- Non-interest income increased to ₹1782 crore, with robust growth of 47.20% y.o.y.
- Total expenditure declined by 4.63% to ₹10046 crore.
- Operating expenses of the Bank stood at ₹2083 crore.
- Gross profit at ₹2141 crore, increased by 10.13% y.o.y from Rs.1944 crore a year ago.
- Total provision made in Q2 FY17 at ₹1784 crore compared to ₹1415 crore in Q2FY16. The provision for NPAs was at ₹1558 crore against ₹979 crore in Q2FY16.

First Half Year (H1FY16) Performance

- Operating profit increased to ₹3960 crore.
- Net Profit for H1FY17 aggregated to ₹586 crore.
- Total income stood at ₹23973 crore, including ₹14941 crore income from loans/advances.
- Total Expenses declined by 3.70 % to ₹20014 crore.
- Non-interest income for the half year increased by 44.89% to ₹3366 crore.

Business Performance

- Global Business reached ₹ 811451 crore.
- Global Deposits reached ₹ 484321 crore.
- Global Advances (Net) stood at ₹327129 crore.
- Overseas business constituted 7.10% of the total business. Total business of 8 overseas branches stood at ₹57628 crore.
- Clientele accounts increased to 7.52 crore from 6.96 crore last year.

Deposit Portfolio- Thrust on CASA & Retail Deposits

- CASA deposits increased to ₹131738 crore, with a y.o.y growth of 13.57%.
- CASA share (domestic) improved to 29.11% from 25.49% a year ago.
- Retail term deposits increased to ₹187270 crore with a y.o.y growth of 17%.
- Share of retail term deposits in term deposits increased to 60% compared to 50% last year.

Credit Portfolio- Thrust on Retail Assets

- Retail Assets (Agriculture, MSMEs, Housing & Other Retail Schemes) constitutes 60.32% of the Bank's total credit portfolio, increased from 53.47% a year ago.
- Advances to Priority Sector increased to ₹154891 crore, with 11.42% y.o.y growth.
- Advances to Agriculture grew by 14.42% y.o.y to ₹72705 crore.
- Credit to Micro, Small and Medium Enterprises (MSMEs) recorded a y.o.y growth of 8.30% to ₹70120 crore.
- Credit to M&SE segments reached ₹51995 crore, with a growth of 5.29% y-o-y. The number of Micro Enterprises Accounts recorded a growth of 16.17%.
- 28.49 lakh women beneficiaries assisted to the tune of ₹44144 crore.
- Advances to Weaker Sections reached ₹45794 crore, with a y-o-y growth of 8.89%.
- Lending to Specified Minority Communities reached ₹27358 crore, with a y-o-y growth of 10.02%.
- Achieved the mandated targets in respect of Total Priority (52.07% against 40% ANBC norm), Agriculture (24.44% against 18% ANBC norm), credit to specified minority communities (17.66% against 15% norm) and weaker sections (15.39% against 10% ANBC norm). Number of Micro Enterprises accounts (16.17% growth against 10% norm) & Credit to women beneficiaries (14.24% against 5% norm).
- Retail Lending Portfolio increased to ₹54500 crore, with a y-o-y growth of 22.61%.
- Housing Loan (Direct) Portfolio increased to ₹21819 crore, with a y-o-y growth of 18.61%.

- Vehicle loans and other personal loans recorded good growth of 17.38% (₹4579 crore) and 17.03% (₹12623 crore) respectively.
- Education Loan Portfolio increased to ₹7378 crore, with a y.o.y growth of 15.95%, covering over 2.96 lakh students.

Capital Adequacy

- Capital Adequacy Ratio as per Basel III norms improved to 12.19%, up from 11.04% a year ago, with CET 1 ratio at 8.25% & Tier I ratio at 8.87%.
- Govt of India has intimated to infuse ₹997 crore equity capital during the year.
- Government shareholding is at 66.30%.
- Comfortable capital position for assets growth.

Asset Quality

- Gross NPA ratio moderately increased to 9.81% from 9.71% as at June 2016.
- Net NPA ratio at 6.69%, remained same level as at June 2016.
- Cash Recovery aggregated to ₹1040 crore during the quarter, taking the cumulative figure to ₹1958 crore for the half year.
- Outstanding restructured portfolio at ₹23407 crore constituted 6.89% of gross advances.

Pradhan Mantri Jan Dhan Yojana (PMJDY)

- 78.01 lakhs accounts opened under PMJDY, securing CASA deposits of ₹1397 crore.
- 1.21 lakh PMJDY account holders have been provided with overdraft facility, amounting to ₹16.91 crore.
- 71 Financial Literacy Centres (FLCs) opened at District/Block levels, educating 6.79 lakh persons.
- 170 lakh residents have been enrolled under Aadhaar.
- 185.34 lakh accounts were Aadhaar seeded, of which 45.62 lakh accounts under PMJDY accounts.
- As a part of grievances redressal mechanism for customers, the Bank established Toll free number 1800 425 11222.

Social Security Schemes

- 72.48 lakhs enrolments have been done under both Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY- 21.53 lakhs) & Pradhan Mantri Suraksha Bima Yojana (PMSBY- 50.94 lakhs).
- Under Atal Pension Yojana (APY) the Bank has cumulatively mobilized 97820 accounts.
- Under Sukanya Samridhi Yojana, 15713 accounts have been mobilized.

Pradhan Mantri Mudra Yojana (PMMY)

- Under Mudra Yojana, the Bank disbursed ₹2024 crore, covering 187810 accounts as at September 2016.

A Holistic Approach to Financial Inclusion (FI)

- The Bank has provided banking facilities in all the allotted 10049 villages.
- Covered all 3962 allotted SSAs by opening of 849 Brick & Mortar branches and engaging 2459 Business Correspondent agents.
- Besides FI branches, the Bank has opened 477 Ultra Small Branches.
- Financial Inclusion branches have garnered business of ₹13668 crore. The CASA component of FI branches stood at 52%, amounting to ₹3209 crore.
- 18 Micro Finance branches have garnered a total business of ₹501 crore.
- 6.62 lakh BSBD accounts opened with outstanding CASA deposits of ₹3521 crore.
- The Bank has formed 317 farmers' clubs.

- 14971 Self Help Groups (SHGs) have been formed and 19504 SHGs have been credit linked to the extent of ₹550 crore. Exposure under SHGs increased to ₹2482 crore under 1.22 lakh SHGs.
- Business Correspondent Agents have done 42 lakh transactions, amounting to ₹715 crore during the half year.

Enhanced Delivery Channels & Digital Footprints

- The total branch network of the Bank increased to 5868, including 8 overseas branches (London, Leicester, Johannesburg, New York, Hong Kong, Manama, Shanghai and Dubai).
- Total number of ATMs further expanded to 10026. 182 e-lounges were functional across major cities.
- Debit card base rose to 3.41 crore.
- 39.95 lakhs Mobile Banking and 25.76 lakhs Net Banking users.
- Ratio of e-transactions increased to 59.30% against 53.73% a year ago.
- Major branch transformation with 826 Shikhar Branches for better customer service to drive business.

New Products & Important Customer-friendly Technology Initiatives

- Canara Empower- Unified payment interface for single platform in accessing multiple bank accounts.
- CANARA TECH Support for structured resolution of queries related to tech-products.
- Aadhaar seeding through BC Terminal
- Renewal of Subscription for Social Security Schemes (PMJJBY & PMSBY).
- Mobile Banking Registration through ATMs.
- Missed Call / SMS Based ePass Sheet generation.
- SMS/Email Alerts to customers intimating to submit RC Copy/Insurance for the vehicle loans and tax paid receipt/certificate for the mortgaged property.
- SMS/Email Alerts to NPA Borrowers intimating to regularize overdues in accounts.

Awards & Accolades

The Bank was conferred with the following Major Awards in Q2FY17:

- Award for excellence, 1st position in MSE lending for FY14 and FY15 by Government of India.
- National Award for excellence in lending to Micro Enterprises, 1st position for FY14 and 2nd Position for FY15 by Government of India.
- Best bank Award under PMEGP, South Zone in the field of Khadi and Village Industries for FY14 and FY15 by Government of India.
- Received “MasterCard Innovation Award” for Canara International Travel Prepaid Card under Prepaid segment.
- RuPay Special Award for being the highest RuPay Card Issuing Bank by NPCI.
- “Visa Award” on crossing a key milestone on issuance of 1.35 Crore Visa Debit card
- Dun & Bradstreet Award, 2016, for being the best Public Sector Bank under Priority Sector Lending and Retail Growth Performance.
- Indy Wood CSR Excellence Award, 2016, for outstanding achievement in Corporate Social Responsibility (CSR) by Indywood Film Carnival.

Goals: March 2017

- Thrust on Retail Business & Asset Quality- CASA & retail deposits, retail credit, fee income, containing NPA, recovery & upgradation and improving operational financial ratios, such as, NIM, RoA, RoE and Cost-to-Income.
