

PERFORMANCE HIGHLIGHTS

September 2010

A Premier Nationalised Bank in India

- Well spread network of 3066 branches
 - ✓ Over 2000 ATMs spread across the country
- Over 37 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

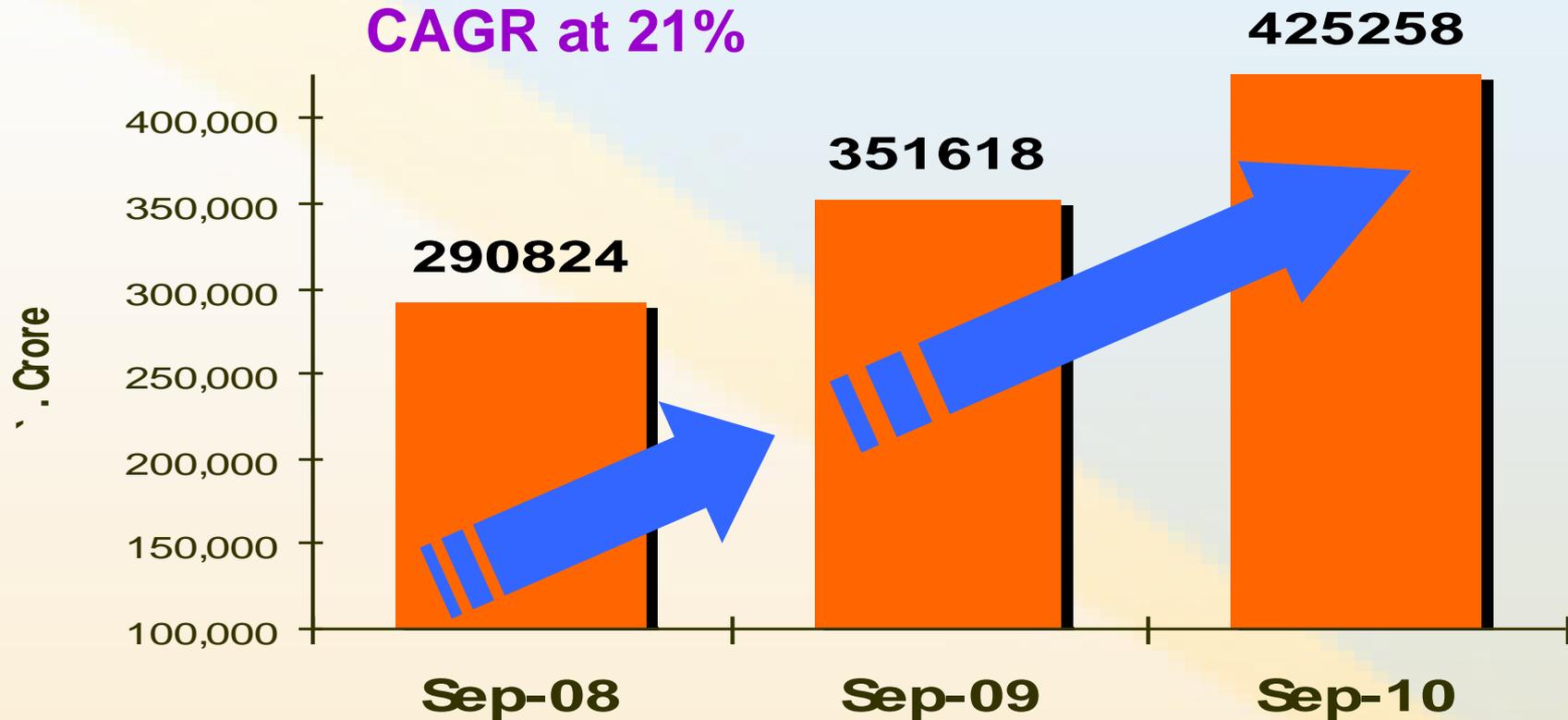


- **Total business crossed `4.25 lakh crore, up by 21%**
- **Net Profit at `1008 crore, up by 10.7%**
- **Over `1000 crore Net Profit for Two Consecutive Quarters**
- **Robust Net Interest Income Growth at 52.5%**
- **Further improvement in NIM to 3.16%**



- **Return on Assets at 1.52%**
- **Capital Adequacy Ratio at 13.88%, Tier I ratio at 8.82%**
- **Gross NPA ratio at 1.49% and Net NPA ratio at 1.06%, both down y.o.y**
- **100% Coverage of Branches under CBS**

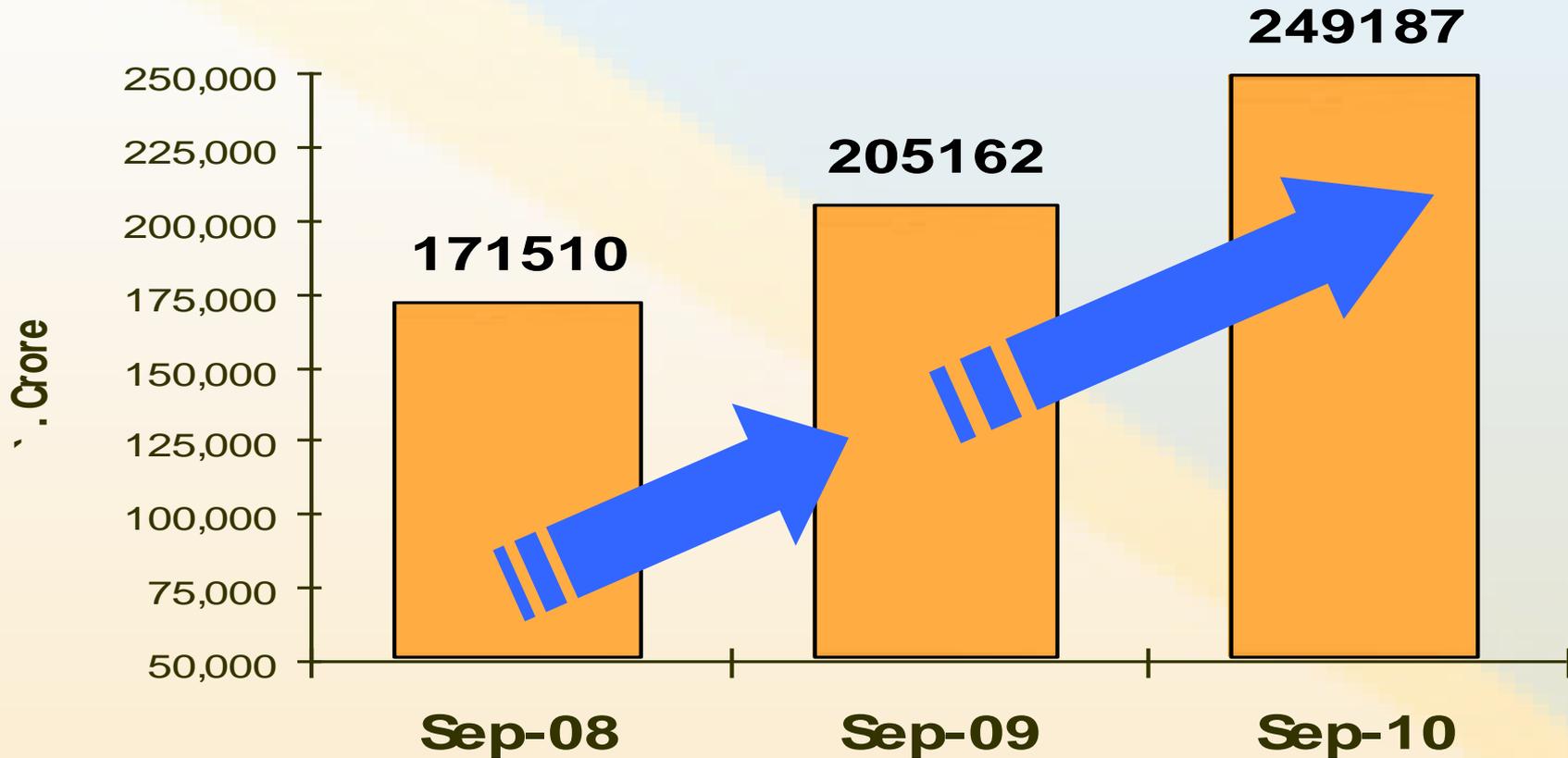
TOTAL BUSINESS



**Total Business added ` 73600 Crore
Y.o.Y Growth at 21%**

TOTAL DEPOSITS

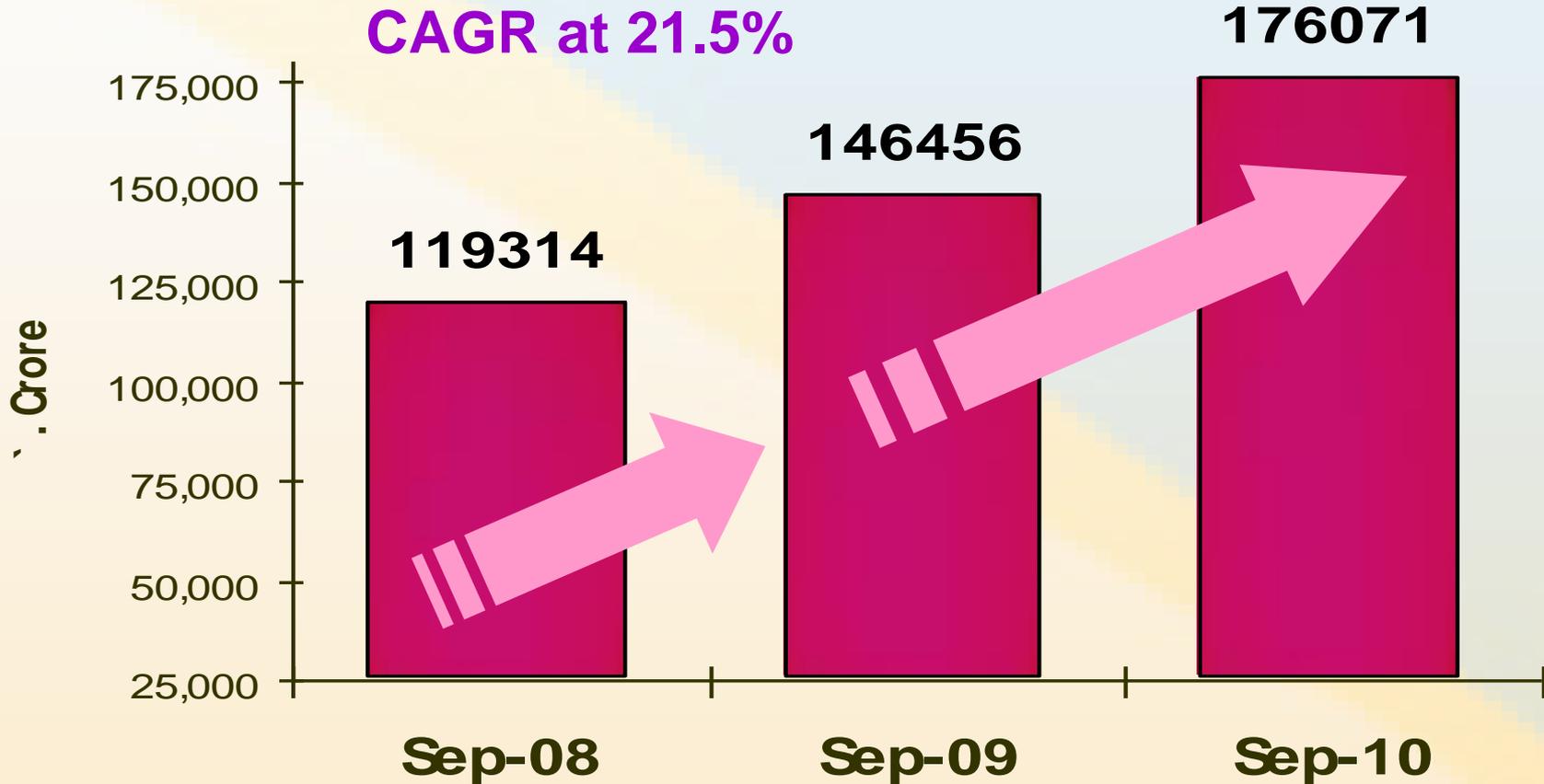
CAGR at 20.5%



Y.o.Y Growth at 22%

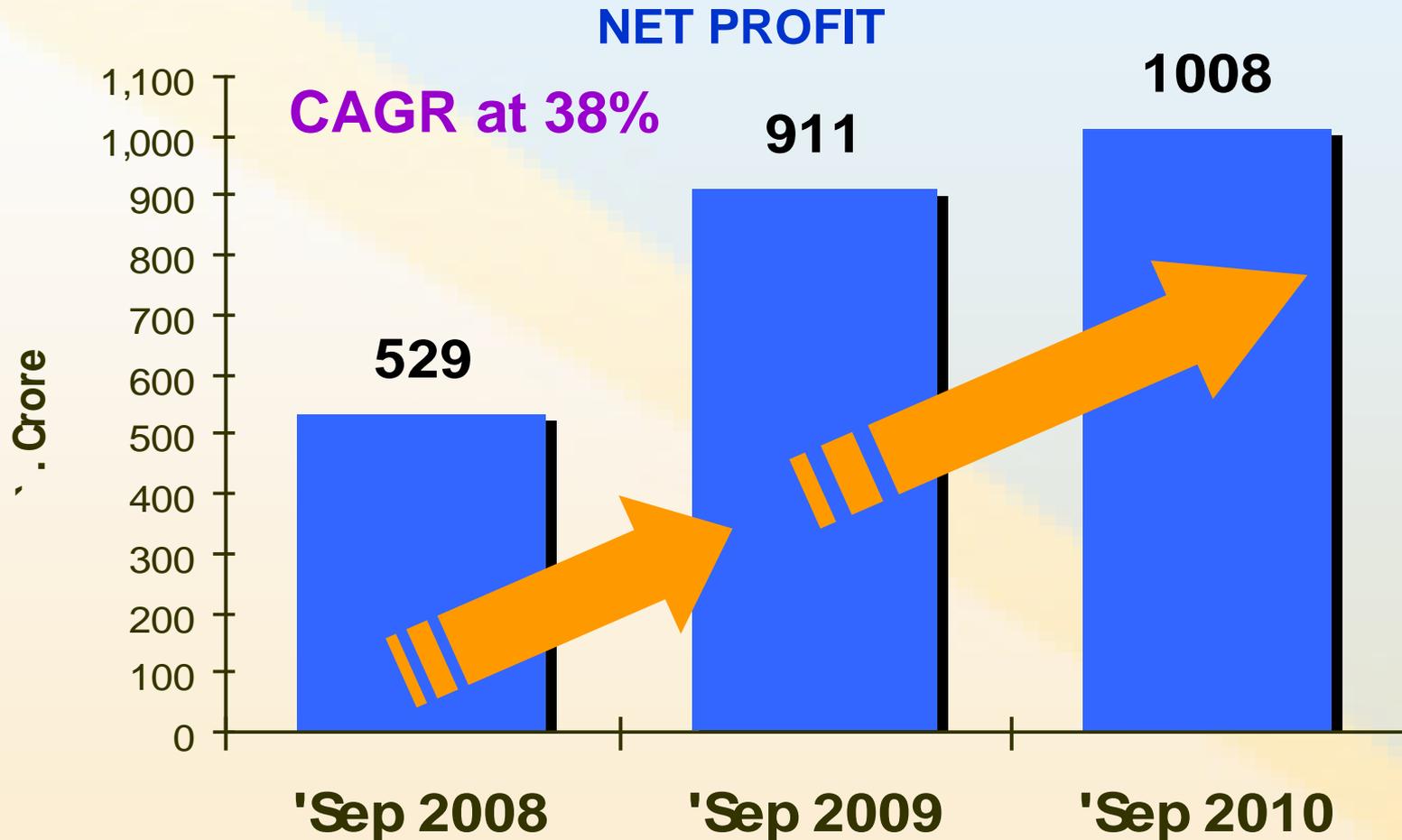
Over 1.6 million clientele Added

NET ADVANCES



Sustained Growth in Advances
20% Y.o.Y Growth

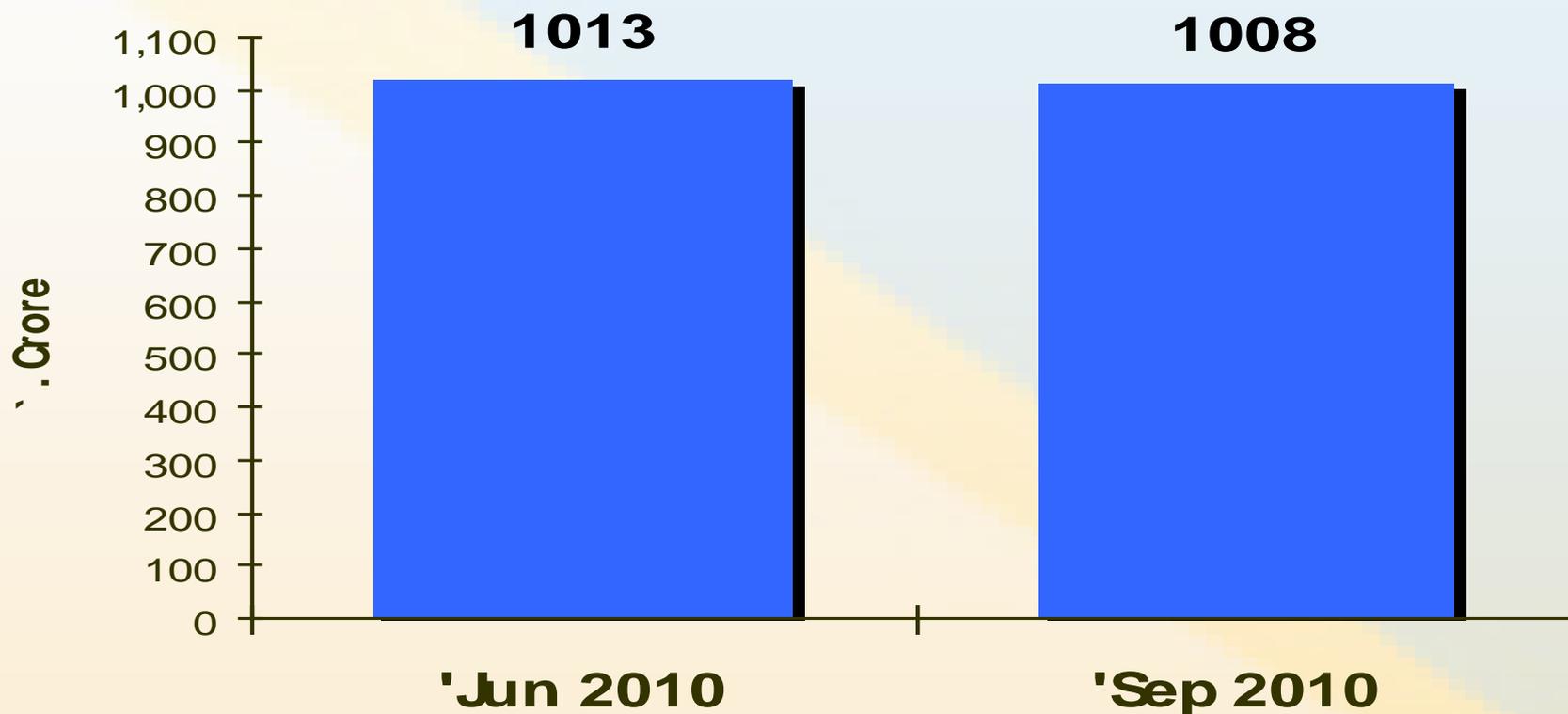
PROFIT GROWTH- Q2



Stronger Bottomline

PROFIT GROWTH- Q1 & Q2 of FY11

NET PROFIT



Over ` 1000 Cr Net Profit in Consecutive Two Quarters

First Time in the History of the Bank

PROFIT GROWTH : Q2 FY11

Amt. in ` Crore

	Q2 FY11	Q2 FY10
Operating Profit	1416	1329
Provisions	408	419
<i>incl Prov for Taxation</i>	<i>250</i>	<i>200</i>
Net Profit	1008	911

RETURNS: Q2 FY11

	Q2 FY11	Q2 FY10
RoAA (%)	1.52	1.63
EPS (₹) <i>(Not Annualized)</i>	24.58	22.21
Book Value	355.25	280.38

Return on Assets above 1.50%

PROFIT GROWTH : H1 FY11

Amt. in ` Crore

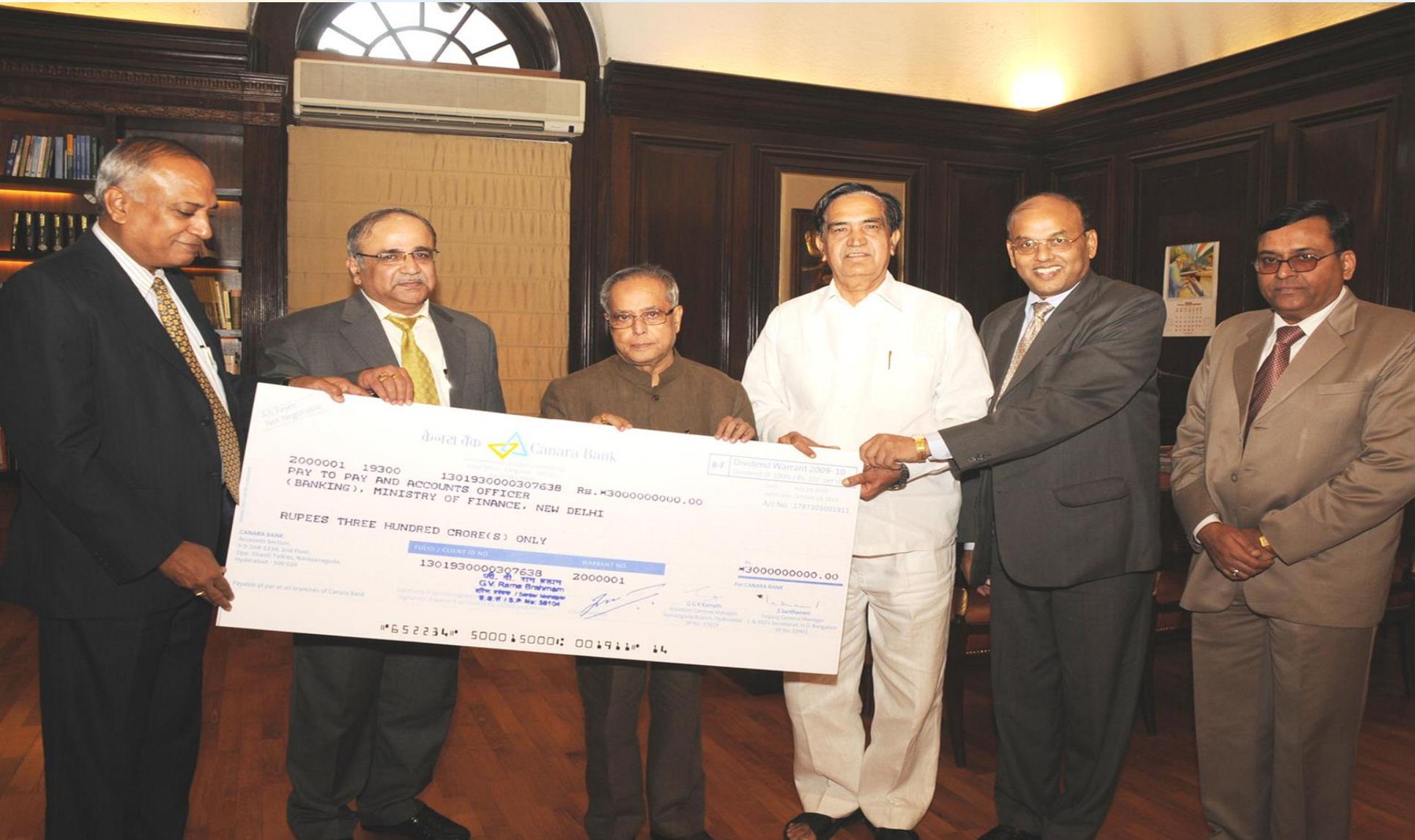
	H1FY11	H1FY10
Operating Profit	2899	2250
<i>Growth</i>	28.8%	52.3%
Provisions	878	784
<i>incl Prov for Taxation</i>	500	350
Net Profit	2021	1466
<i>Growth</i>	37.9%	

38% Growth in H1 Net Profit

RETURNS: H1 FY11

	H1FY11	H1FY10
RoAA (%)	1.53	1.32
EPS (₹) (Not Annualized)	49.30	35.75
Book Value	355.25	280.38

Improved Shareholder Value



INCOME

Amt. in ` Crore

	H1FY11	% Growth Y.o.Y	Q2 FY11	% Growth Y.o.Y
Int. Income	10738	15.7	5577	18.4
Int. Loans/Adv	7903	14.0	4110	17.3
Non-Int. Income*	1234	--	500	--

Sustained Income Levels

EXPENDITURE

Amt. in ` Crore

	H1FY11	% Growth Y.o.Y	Q2 FY11	% Growth Y.o.Y
Total Exp.	9073	8.2	4661	9.1
Int. Exp.	7007	5.2	3574	5.3
Op. Expense*	2066	20.0	1087	23.9
Staff Expense*	1389	22.9	727	31.7

* Increase in Staff Expenses due to salary revision

Moderate Growth in Interest Expenses

EARNINGS PROFILE

Amt. in ` Crore

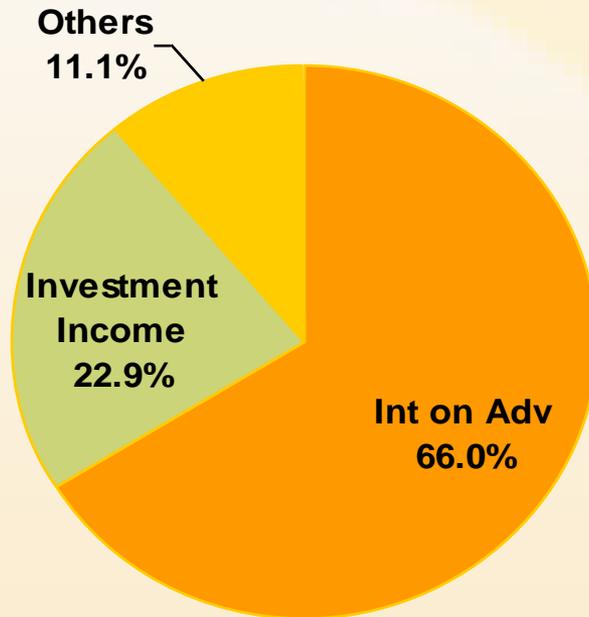
	H1FY11	H1FY10	Q2 FY11	Q2 FY10
Net Int. Income	3731	2605	2003	1314
Y-o-Y Growth	43.2%	20.2%	52.5%	14.3%
Net Int. Margin (NIM) (%)	3.16	2.66	--	--

**Robust Growth in Net Int. Income (NII)
Over ` 2000 Crore NII in any Single Quarter
NIM up by 50 bps**

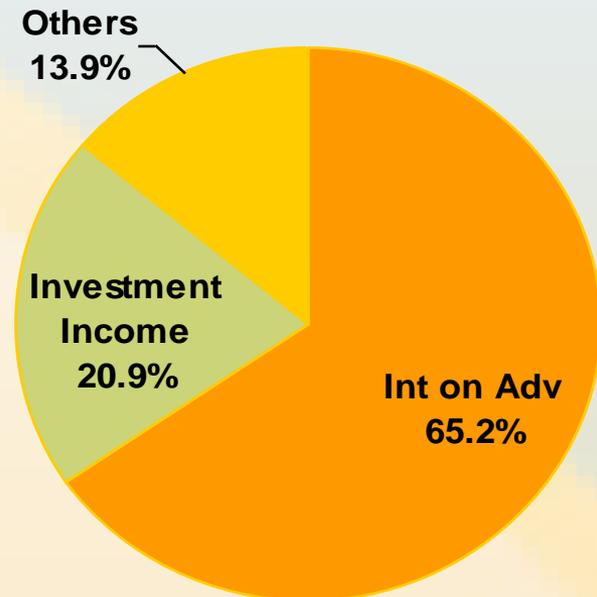
MAJOR COMPONENTS OF INCOME

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

H1 FY11(Sep'10)



H1 FY 10 (Sep'09)



BREAK-UP OF OTHER INCOME

Rs. in Crore

	FY 11		FY 10	
	H1	Q2	H1	Q2
Total Other Income	1234	500	1367	893
Commission & Exchange	338	174	328	156
Profit from Exchange Trans	146	71	110	59
Trading Profit	226	1.58	464	436
Dividend Income	76	40	44	31
Recovery in w/off A/cs	153	65	151	72
Other Misc. Income	295	148	269	140
of the above ..				
Fee Income	698	352	667	334

- **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



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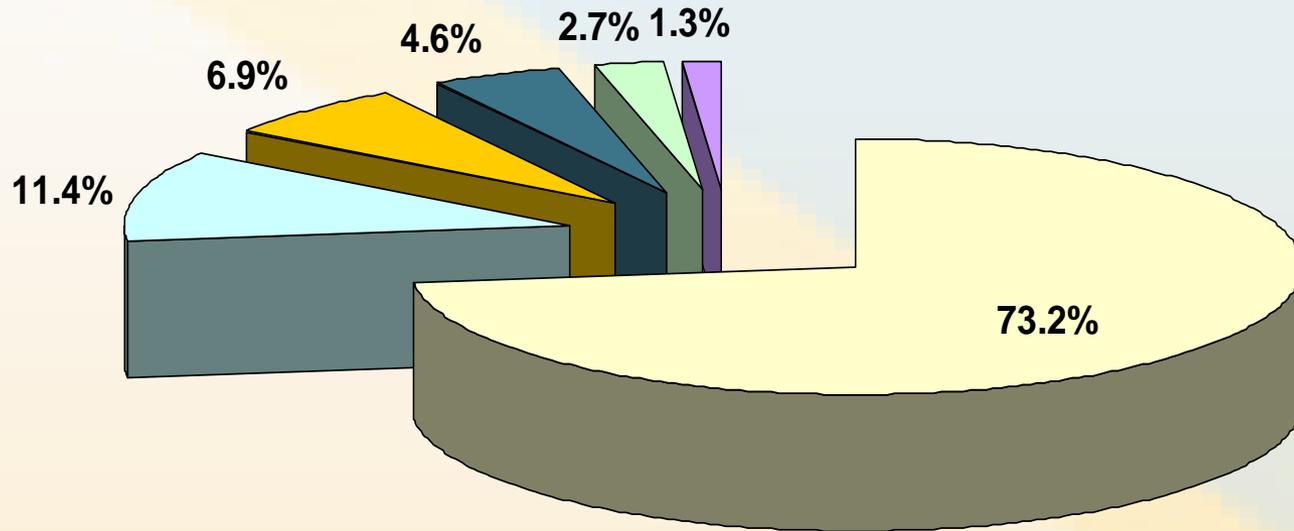
BREAK-UP OF PROVISIONS

In Rs Crore

	FY 10		FY 10	
	H1	Q2	H1	Q2
Total Provision & Contingencies	877.86	407.89	784.60	418.60
Of Which:				
Non Performing Advances	337.70	198.95	459.00	243.00
Provision for Investments	10.09	-43.36	-32.40	-32.40
Taxation	500.00	250.00	350.00	200.00

SHARE HOLDING PATTERN

As on Sept. 30, 2010



□ Govt of India □ FIIs □ Insurance Companies □ Resident Individuals □ MFs □ Others

BUSINESS PROFILE

Amt. in ` Crore

	Sep'10	Sep'09	Y-o-Y Gr
Global Business	425258	351618	20.9%
Total Deposits	249187	205162	21.5%
Net Advances	176071	146456	20.2%
CD Ratio (%)	70.66	71.39	--

Robust Business Growth Of over `73600 Cr
Domestic Business Constituted 96%

CORE DEPOSITS GROWTH

Amt. in ` Crore

	Sep'10	Sep'09	Y-o-Y Gr
Savings Deposits	54339	44309	22.6%
CASA Deposits	72001	58602	22.9%
Term Deposits	177185	146560	20.9%
CASA per branch	23.48	20.88	--
Deposits Clientele (Mn)	33.33	31.68	+1.65

Highest Per Branch CASA Deposit among Peers
CASA Ratio (Domestic) at 30.10%

CREDIT FOCUS

Amt. in ` Crore

	Sep'10	Sep'09	Y-o-Y Gr
Priority Sector Credit	60658	53026	14.4%
Agriculture Credit	23882*	22583	5.8%*
MSME Advances	32801	27030	21.4%
Retail Lending	26029	20608	26.3%
Housing	11669	8230	41.8%
Infrastructure Advances	39507	24173	63.4%
Adv Clientele (Mn)	4.13	4.15	

Well Diversified Credit Portfolio

* Lower Growth on account of Reclassification of indirect agriculture advances



PIONEERING EDUCATION LOAN

- Education Loans grew by 22.9% y.o.y
- Outstanding Education Loans at `3259 crore
- The portfolio covers over 1.77 lakh students
- On-line Education Loan application in web portal

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



- Mobilised over 1.8 lakhs No-frill Accounts during H1
Cumulative No-frill Accounts 23.59 lakhs (₹ 402 Cr)
- Achieved Total Financial Inclusion...**in all the 26 Lead Districts**
- Sanctioned over 2.12 lakhs **General Credit Cards** since inception
- 500 Customer Service Providers in 500 villages
- 9 Exclusive **Micro-Finance Branches** across India to help Urban Poor
- Cumulative **SHG Tally** up at 3.34 Lakhs .. Credit Linked 2.85 Lakhs

PROFITABILITY RATIOS (%)

	Sep'10	Sep'09
Cost of Deposits	5.69	6.47
Yield on Advances	9.61	10.02
Yield on Investments	7.61	7.68

78 bps fall in Cost of Deposits

PRODUCTIVITY RATIOS

	Sep'10	Sep'09
Business per Employee (₹ Crore)	10.60	8.46
Business per Branch (₹ Crore)	138.70	125.00
Gross Profit per Employee (₹ Lakh)	14.46	11.87
Net Profit per Employee (₹ Lakh)	10.08	7.07

Per Branch Business at a High of ₹ 139 Cr
Business per Employee over ₹ 10 Cr

INVESTMENT PORTFOLIO

Amt. in ` Crore

	Sep'10	Sep'09
Net Investments (Domestic)	76658	64403
Held to Maturity	61136 (79.8%)	50671 (78.7%)
Available for Sale	15167 (19.8%)	13416 (20.8%)
Held for Trading	355 (0.4%)	316 (0.5%)

Figures in the brackets are percentage shares in total

ASSET QUALITY

	Sep'10	Sep'09
Gross NPA (₹ Crore)	2636	2348
Gross NPA Ratio (%)	1.49	1.60
Net NPA (₹ Crore)	1860	1694
Net NPA Ratio (%)	1.06	1.16

Provision Coverage Ratio at 77.06%

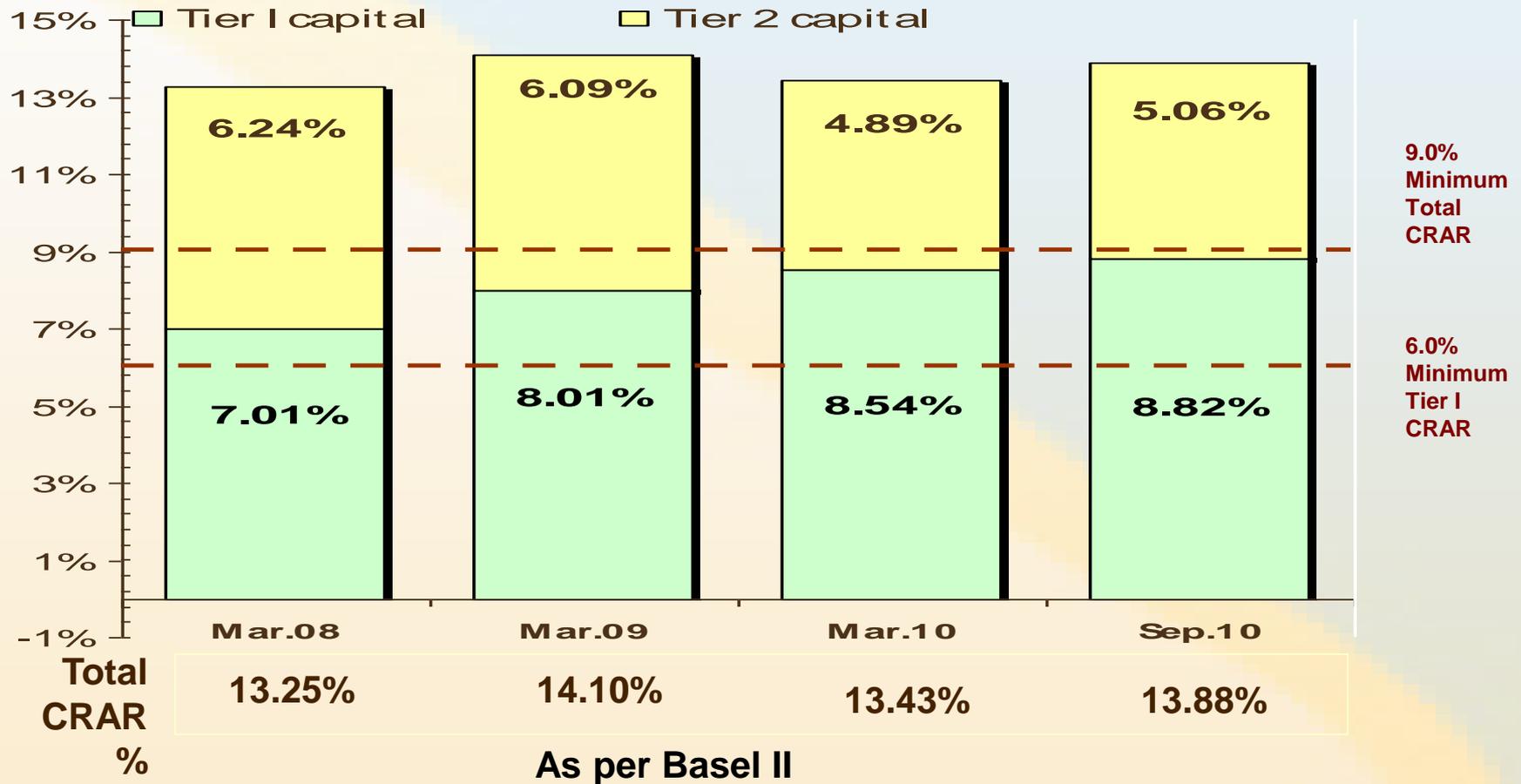
Both Gross NPA and Net NPA Ratios Improve



- CRAR of **13.88%** at Sep'10
 - ...well above the regulatory minimum of 9%
 - ...Tier I ratio at 8.82%
 - ...Tier II ratio at 5.06%
- Raised `750 Cr under IPDI and `1000 Cr under Upper Tier II Bonds in Q2 (FY11)
 - 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



EXPANDING THE REACH

	Sep'10	Sep'09	<u>Y-o-Y Incr</u>
Branch Network	3066	2806	260
ATM Strength	2017	2017	
Card Base (In Lakh)	52.00	44.13	

Strategic Initiatives

- Focus on Expanding Domestic Branch Network
- Addition of 260 branches over September 2009
- Thrust on Savings deposits: Ongoing Mega '**Savings Mahotsav**' Campaign
- Significant rise in number of Savings Bank accounts

EXPANDED CLIENTELE BASE

	Sep'10	Sep'09	Y-o-Y Incr
Clientele Base in Mn	37.46	35.83	+1.63
- No of Deposit a/cs (Mn)	33.33	31.68	+1.65
- No of Borrowal a/cs (Mn)	4.13	4.15	

Over 37 million strong clientele base

INFOTECH PROGRESS

	Sep'10	Sep'09
Core Banking Branches	All Branches	1591
Anywhere Banking Branches	All Branches	2084
Internet & Mobile Banking Branches	All Branches	1591

100% Business under Core Banking Branches



CANARA BANK NOW 100% CBS

100%

Convenience, Benefit & Satisfaction

With 100% CBS we bring unmatched advantages to our 37.5 million valuable customers across India and abroad

Customer Convenient Features
Under Core Banking Solution

Anytime Anywhere Banking

Internet Banking

Tele-Banking

Remittances

SMS Alert

Security Trading

Government Business

ATMs – Mobile ATMs – Bio-metric ATMs • Bill Payments • Mobile Recharge • Visa Money Transfer and Many More

FUTURE PLANS

- Aiming at a Total Business of ` 5,00,000 crore by Mar'11
 - ... ` 2,85,000 crore under Deposits
 - ... ` 2,15,000 crore under Advances
- Over 200 new branches to be opened during the year
- Continued focus on Core Business Growth
- Plans to Open Branches at *Manama and QFC-Qatar*



THANK YOU