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Sub: Q4 FY 2024-25 Earnings Conference Call with Analysts / Investors - Transcript

Ref: Our Letter SD:45/46/11/12::2025-26 dated 29.04.2025

Ref :Our Letter SD:51/52/11/12::2025-26 dated 08.05.2025

With reference to above and pursuant to the applicable provisions of SEBI (LODR) Regulations, 2015, we herewith enclose the transcript of post results Earnings Conference Call Q4 FY2024-25 held on 08.05.2025.

The transcript of Q4 FY 2024-25 Earnings Conference Call is uploaded on Bank's website and the same can be accessed through below link:

<https://canarabank.com/pages/Earning-Conference-Call-Transcript>

This is for your information and records

Yours faithfully,

**SANTOSH KUMAR BARIK
COMPANY SECRETARY**

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Canara Bank's Earnings Call for Q4 FY25
08th May 2025

– **Moderator:**

- Q4 FY25 earnings call of Canara Bank. With us today we have Mr. Satyanarayan Raju, MD and CEO Sir, Mr. Debashish Mukherjee, Executive Director, Mr. Hardeep Singh Ahluwalia, Executive Director and Mr. S.K Majumdar, Executive Director. We will start the call with the opening remarks from the MD Sir, post which we will start with the Q&A session. MD Sir, over to you.

– **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**

- Good evening to all of you Sir. Thank you once again for attending this Investors' Meet, Analyst Meet Sir. I am here to share some snapshots or the performance highlights of the entire financial year as well as the fourth quarter to all of you. Along with me, my senior colleagues, Debashish Mukherjee Sir is here, Hardeep Singh Ahluwalia is there and Majumdar is there and all our top brass, top management is sitting here. Once I give my highlights, you are free to ask any of the clarifications, we are here to clarify that Sir.
- Our global business has grown at 11.32% and stood at 25.30 lakh crore as against our guidance of 10%. The first time the bank has crossed 25 trillion and last two years, we garnered the business of more than 5 trillion. Our global deposit has grown at 11.01%, stood at 14.56 lakh crore as against our guidance of 9%. Our global advances have grown at 11.74%, stood at the 10.73 lakh crore as against the guidance of 10%. Our operating profit grown at 12.14% year-on-year and stood at 8,284 crores. The first time we have crossed quarterly operating profit above 8,000. Our net profit has crossed 5,000 crores with a growth rate of year-on-year it's 33.19% and first time in the history of the Canara Bank, a quarterly net profit has crossed 5,000. Our PCR has improved to 92.70% with an year-on-year improvement of 360 basis points. It's the highest in the history of the Canara Bank that in one year the PCR has increased that much. Our gross NPA has reduced considerably and stood at 2.94% as against our guidance of 3.5% and year-on-year decline of 129 basis points. Our net NPA has stood at 0.70% as against the guidance of 1.10 with a year-on-year decline of 57 basis points.
- With all these bottom-line growth, steady growth and the top-line growth, I'm very happy to share with all the investors and the analysts that our board has recommended for a dividend of 200% with a paid-up capital as against the last year 161%. That is a 4 rupee for every 2 rupee share face value of that. One thing I want to clarify to you is we have tremendous improvement, we could show in the asset quality both in the PCR as well as gross NPA and net NPA by recovery as well as controlling the slippages but without compromising the top-line growth and the bottom-line growth. So that's what actually the best point of this year, what way performance we can say that. This is always possible because our RAM credit has grown at 13.23% and stood at 6.10 lakh crore. Our retail credit has grown at 2.23 lakh crore and with a year-on-year growth rate of 42.80. The 42.80, you may feel that it is an outlier but the reason already last two times I shared with you

but once again at the cost of repetition I will share it with you. So last one year, last year 1st April onwards, we stopped lending to agriculture purpose in the metropolitan but to meet the requirement of metropolitan borrowers who wants to borrow against the gold, we introduced a loan against gold, secured loan against the consumption purpose that has actually attracted by ~~the~~ many people, that is the reason actually I say earlier we have 16,000 crores agriculture loans in the metropolitan, that entire thing has been shifted to, it's not that as it is shifted. Some of those loans have been closed, some of those loans have been renewed and all but so that's the agriculture that to the extent of 16,000 crores, there was a dent was there in the agriculture gold loans but that has been benefited in the retail credit. So our housing loan growth is at 13.57% and stood at 1,06,000 crores. Our vehicle loan is almost growing at 20%, that's stood at 20,637 crores. Our earning per share is at 18.77 rupee for each 2 rupee face value share with a 16.98% growth and our fee-based income, the bottom line is a growth is mainly helped by the recoveries in the technical return of accounts as well as the fee-based income growth year on year it is a 20.30%, stood at the 2,335 crores.

- Our slippage ratio, we could well maintain well less than the 1% as against the given guidance of 1.10 but we could maintain it to 0.90. Previous quarter it was 0.96, it is further down to the 0.90 with an improvement of 38 basis points. These are all the few highlights I could share it with you. I am sure that by this time you all might have gone through that in our presentation. Now you are all welcome for asking any clarifications or questions Sir. We are all here to clarify to you. Over to you Sir.

- **Moderator:**

- Thank you MD Sir. Whoever wishes to ask a question, please raise your hands and limit your questions to two for participating. We have our first question from the line on Mr. Ashok Ajmera. Sir please unmute yourself and go ahead.

- **Mr. Ashok Ajmera:**

- Yes Sir, good evening Sir and the entire team of Canara Bank.

- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**

- Good evening Ashok ji.

- **Mr. Ashok Ajmera:**

- And again compliments to you Sir for fantastic results especially on the..... if you see straight away the bottom line of the quarter, you know it has gone from 4100 crore to 5002 crore, which is very very important otherwise there are headlines you know the profit has gone down by 10% or 5%. So this is some very very positive this thing in spite of all the provisioning and everything. Having said that Sir, this profit has been on the back of certain changes in the RBI norms also, mainly in SRs issued by the NARCL which is the 100% government guaranteed SRs and because of that there

is some provision reversal and there are some gain. So Sir, I would like to just understand the entire mathematics of these two three items which are together.

- One is that excess provision reverse in P&L is 1463 crores on the sale of state's loan. Then excess provision reversal of 1724 crore for NARCL the SRs revaluation based on the fair market price and also the unaccounted gain of 97 crore which has also been taken in P&L. So the net provision overall is 2000..... is 1831 crore. So can somebody... can unfold the or this entire, how this figure has finally come off?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- I will ask our executive director Majumdar to answer this.
- **Mr. Ashok Ajmera:**
- 1831 crore, there is an extra provision of NPA. There is an extra provision of, I mean the provision on NPA account is also much higher at 2847 crore in this quarter.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- So that is why you can see.
- **Mr. Ashok Ajmera:**
- So all these 2-3 important figures.....yes Sir?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Ashokji, that is why you can see that you can really, the overall whatever the benefit we got through that SRs reversal, provisioning reversal and all, we could use it for strengthening our provision coverage ratio, PCR. In last quarter, it is a 91.26 something is there. Now this quarter it is 92.70, almost 150 basis points increased in our provision coverage ratio. That is why you are showing that the higher provisioning in the NPA accounts, it is not mandatory but we want to strengthen that our balance sheet. We want to strengthen that our PCR to make it at par with other peer banks because you know that historically we were a little behind in the PCR. We don't want to continue like that. We want to take that benefit whatever it is there in that. That is the major accounting policy that we have used them for strengthening our PCR. Further of course down to down, line to line, apple to apple, if you want any clarifications our Executive Director Majumdar is there. He will clarify to you Sir.
- **Mr. S.K Majumdar – Executive Director, Canara Bank:**
- Sir, your basic question is how much of that profit is due to change in the norm that SR reversal provision, isn't it? Sir our total SR we was around 1700 crore of which till December, there was a

provision of 1100 crore. The rest 600 crore, there was a no question of reversal which we need not have to do for the March quarter. That 1100 crore is actually that reversal happened and out of that 1100 crore, 500 crore has gone into what you see as part of the profit. Another 600 crore, we have made a provision as Sir explained for non-performing assets, just to improve our provision coverage ratio. You will also agree that when you compare our bank with my peers, all of them are today having a provision coverage of 95% or above 95%. So we also want to be in that space. It is because once you cross that 95% PCR, you can do nothing worries you. Any sort of dense, you are no longer worried. So we want to go to that space, we want to improve the PCR strongly and to answer your question, that has gone, 600 crore has gone into that and extra provision of 500 crore has gone into profit and 600 crore is gone in providing for this extra provision which has improved the provision coverage ratio to a considerable extent. And Sir, you will see that now Sir, the major thing, this don't I think you will be impressed if you see the key data, that our provision coverage ratio excluding TWO has crossed 76. It is 76.6, it is almost 77 which is the real strength of the bank and it will go and we are almost in line with my peers, formidable peers. So I hope and this is how you have got also, we could declare 200% dividend. Having said that, this as you know that this amount is from out of SR addition, as per the guideline cannot be used for dividend payment. So these whatever 500 crore I have added in profit could not be used for dividend payment. So and this also needs to be deducted from capital CET1. So we have also, it is not that I could take, this has also had to be that 1700 crore had to be reduced from CET1. So you want to find out what is the strength of the bank without this non-core income and I am sure you must have seen and glad to know that even without this non-core income, our CET1 today is 12.03 which is a formidable strength for this bank.

– **Mr. Ashok Ajmera:**

– Thank you very much Sir for such an elaborate answer and especially you know what, we wanted to know that on a continuous basis, you know how much profit is unusual and this thing. So you are very well clarified that only 500 crore has finally gone on account of this SR provision reversal in the P&L which may not accrue to you quarter after quarter.

– **Mr. S.K Majumdar – Executive Director, Canara Bank:**

– Exactly! And Sir, I could not take it to capital also, that you must remember.

– **Mr. Ashok Ajmera:**

– And definitely Sir, as far as the core strength and the compliments are concerned for the business, you have crossed for the first time, I think 25 lakh crore business. So definitely a lot of good things have happened in the bank especially in the whole year and this quarter particularly.

– Another data point Sir was on PSLC commission profit. I mean the commission income. So in the whole year, you have earned about 1546 crore and in this quarter, you have made 130 crore. Now going forward, whether this can be taken as a normal income coming regularly to the bank or we may say that, it may or may not accrue in future.

– **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**

– No Sir, actually this PSLC, how it comes, it is a demand and supply because now we used to, last year to last year, we have sold almost 86,000 crores in the form of a PSLC. But the last year supply also is comparatively high because of the gold loans under agriculture and all. Because of latest RBI regulations and all, there may be a reduction in the availability of the priority sector loans in the market. So even if that may impact the Canara Bank also for amount to which we can sell but not the income because when the supply is more, your demand will be less. The available commission will be less. That we will get, last year the first quarter we used to get 1.75 to only 1.8 or 1.9. But that tendency has reversed at the end of the quarter. For one quarter we got almost 2% commission. Generally that is against 0.4, 0.5%. And the first quarter, this quarter I have seen rates are already touching 3%. So maybe my quantum may reduce in the selling, in the market from 80,000 to it may be a 40,000 or 50,000. But my income may not be reduced because the demand will be very high and the commission will be very high.

– **Mr. Ashok Ajmera:**

– Yes, at this point. Sir, one question is on the investment book because of the change in norms.

– **Moderator:**

– Please join the queue. We have a question from the line of Ms. Mahrookh. Mam, please go ahead with your question.

– **Ms. Mahrookh:**

– Hello, good evening. So I had a couple of questions. My first question is on recovery in written off accounts in the P&L. So that is a very strong income item this quarter. It's been strong for the last few quarters. But this quarter it's actually a bit higher than SBI's as well whereas SBI also has a large ORCA pool. So what is your total write-off pool and what is the visibility on this? Because now we have even crossed SBI's and it's on the higher side. So that's my first question. And I have other two. So in the interest income breakdown, interest on loans, interest on investments and other interest income, there is a sharp jump over Q3 of FY23. So it has increased by around 300 crore. So is there a one-off tax refund? What explains that sharp jump? And my third thing is if you could explain how the retail gold, how the agri-gold loans were converted to retail gold loans.

– **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**

– Ok, madam. First recovery in written off accounts, madam. Recovery in return of accounts, every year we are telling that on an average 4,000 to 5,000, we can easily recover that. Whatever we have, a book of almost 70,000 crores as on date also. When we have 70,000 crores, so we have

nothing to do, compare with the other peer bank or anybody, because we have potential to recover. Our systems are very strong. Some centralized processing is there. Special schemes are there in those return of accounts. It will continue to do that. Last year, if you see the total 5,963, we could recover this time almost 1,000 crores more, we could recover. Last time when we recovered 5,963, you people have asked, so it may not be possible in the next year because this much you have recovered. But we have shown that we can recover better than that. Simultaneously, you should agree that when you have in the balance sheet 100% provisioning, we are also doing the return of to clean the balance sheet. That will be added to my kitty and that will be available for recovery in the forthcoming quarters. So for my, whatever the base is there, that 70,000 crores, it is not coming down. Maybe the composition is changing but the base is available to us. So we are sure that this year also we will continue to perform at the same level in the return of accounts and I don't see any reduction in that recovery in the return of accounts.

– **Ms. Mahrookh:**

– Was there any one-off this quarter?

– **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**

– The second one is interest income. Pardon, madam? No, madam. There is no one-off there. It actually comes from small, small accounts. Many things are there. We have actually set up corporate as well as non-corporate. We get equal amounts in that. Targets will be given like that only. It is through OTS systems, through collections. It is not a one-time allotment. Anything is there, madam.

– And the second one is interest income. You are asking me that interest income increase. If you first, before telling the interest income, one thing I have to tell you that our cost of deposits and funds, you should look at that, that the entire year we could manage with only from June 2024 to March 2025. So both in that, it is hardly four basis points in the cost of deposits and the three basis points in the cost of funds. That we could manage in the cost. When you can manage in the cost, it will help in your yield and advances simultaneously or interest income, net interest. Total interest income, this quarter also we got, second quarter we got very good interest on NPA recovery. And third quarter it has come down a little slightly, one or two hundred. But again, this quarter we got more than 700 crores in the interest on NPA. So that also is helping in that.

– **Ms. Mahrookh:**

– But other income Sir?

– **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**

– So when our collections are very good, it will be helping that. Pardon, madam?

- **Ms. Mahrookh:**
- Sir, the other interest, means interest on loans is...
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Other interest is nothing but, that's what, madam. Other interest is nothing but, when you have a surplus or the available liquidity fronts in your system, that liquidity you will lend in the overnight call money markets. That will be used in the, that is the actually income, depending on your liquidity, depending on the demand, you do that. So that is quarterly, it may be a little bit changes will be there Sometimes if the supply is less, we get more benefit. If supply is more, we may get little less. But it's a part of the regular business. There is no one time on that.
- **Ms. Mahrookh:**
- Got it, Sir. Got it.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- And third one, you spoke about agriculture gold loans. Agriculture gold loans have come down from last year to this year. And now the, actually the agriculture gold loans have now come down to around 130,000 crores, madam. Out of these, 246, the agriculture total, 247. 132, 133 is agriculture gold loan. Earlier it used to be almost 153, 154. Now it has come down almost 130 to 133, because in metropolitan we stopped lending that. But we have not lost the business in the gold loan. The gold loan portfolio has increased, grown almost near to the 20 per cent. We have grown from 153 to 181, 181,000 crores. So the overall growth has not come down, but it is a little bit shifting from agriculture purposes to the RAM credit, the retail credit. Because we have come out with a new product, that product is compensating that whatever we lost in the agriculture gold.
- **Ms. Mahrookh:**
- Ok, Sir. Thank you. Thanks a lot.
- **Moderator:**
- We have a next question from the line of Mr. Kunal Shah.
- **Mr. Kunal Shah:**
- Hello! Am I audible?
- **Moderator:**

- Ya.
- **Mr. Kunal Shah:**
- First question, maybe in terms of again, sorry, touching upon the notes to accounts which is there, there it still mentions that the excess provisioning reversal has been almost 1700 crores on account of this, maybe the government guaranteed SR. But you said like it's only like 1100 odd crores, so not able to get that number. Like in notes to accounts, it clearly says that it has reversed excess provisioning of 1700 crores to P&L.
- **Mr. S.K. Majumdar - Executive Director, Canara Bank:**
- Exactly, it is 1700 crore including March but March provision was to be made. So when I reverse, when I reverse the SR quantum, then the requirement is 1700 crore, because I am doing it in April. But 600 was not booked till December. So I need not have to make that 600 provision to 1100 plus 600 becomes 1700. 1100 provision was already made, which is reversed.
- **Mr. Kunal Shah:**
- Got it, got it. When you look at it in terms of 12.5
- **Mr. S.K. Majumdar - Executive Director, Canara Bank:**
- Your voice, we are unable to hear. Please be louder.
- **Mr. Kunal Shah:**
- I am saying again, when you refer to 12.5, hello, is it better?
- **Mr. S.K. Majumdar - Executive Director, Canara Bank:**
- Yes, yes, ya.
- **Mr. Kunal Shah:**
- I was saying when you refer to notes to accounts 12.5, again, it says that there is excess provisioning reversal on account of sale of stressed loans. So this is the subset of government guaranteed SR or this is different?
- **Mr. S.K. Majumdar - Executive Director, Canara Bank:**
- No, no, this has got not government SR. This is something in the normal course, the sale that happens to ARC, this whatever, that those provisions get reversed, no?

- **Mr. Kunal Shah:**
- Ya, so this is how much would be for this quarter? For 4Q, this is for full year?
- **Mr. S.K. Majumdar - Executive Director, Canara Bank:**
- This is for the full year, full year.
- **Mr. Kunal Shah:**
- So how much is for 4Q?
- **Mr. S.K. Majumdar - Executive Director, Canara Bank:**
- This is SR plus other than that, that is the total figure.
- **Mr. Kunal Shah:**
- Ya, no, no, I was saying how much is 4th quarter?
- **Mr. S.K. Majumdar - Executive Director, Canara Bank:**
- It is 4th Quarter only. It is from that you deduct the SR part, the rest is for others.
- **Mr. Kunal Shah:**
- Okay, okay, I'll just take that offline. And maybe secondly, when you look at it on the slippages, so slippages have increased on a quarter-on-quarter basis. If you can just highlight in terms of the segments, is it largely MSME and agri which is leading to this kind of a sequential increase? No doubt on a year-on-year basis, it is still down. But quarter-on-quarter basis, there is some rise over there. So which segments are different?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- No, it is only the three sectors, that is MSME, it is 1250, the agriculture is 750, the retail is 650. We have seen that only the earlier MSME was used to slip around 1000 crores, so that has gone to the 1250, only that much difference is there, not much more than that.
- **Mr. Kunal Shah:**
- Ok, ok, got it. Ya, thank you.
- **Moderator:**

- We have a next question from the line of Mr. Parag Shah. We have a next question from the line of Mr. Vedant Engineer.
- **Mr. Vedant Engineer:**
- Ya hi, Sir. Congrats on the good set of numbers.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Hi! Thank you, Sir.
- **Mr. Vedant Engineer:**
- Thank you Sir. Ya, firstly on gold loan Sir, you said that with the new guidelines, the ability to sell PSLC will be less this year. Can you just broadly elaborate what you meant by that? Like how does this impact our business overall?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- No, actually the overall business, it will not impact, but there will be some reclassification. The reclassification may happen in the agriculture when we have seen that in our priority sector, agriculture, including the agriculture gold loans, that is the core agriculture and the gold loans for agriculture purpose. But core agriculture is growing at double digit growth, more than 10.5%. That's continuing its growth. But the agriculture gold loans, gradually we ourselves are coming out, instead of waiting for the final guidelines from the RBI. That steps we have taken last year, previous year we have taken, we have stopped lending against the interest subvention. Then thereafter, last year, we stopped lending in the metropolitan cities' agriculture purposes. But these are all the actually activities, now shifted some of those agriculture gold loans from this to agriculture to retail. But in the industry, some concerns, some areas, some banks, when their inspections have happened, the regulatory concerns of that up to 2 lakhs of agriculture loans and gold taking again as a pledge, maybe some concerns may come when it comes for that final guidelines. So that also may cause to reduce in the classifying these gold loans under the agriculture. So only classification purposes, the agriculture loans may be available for the selling in the PSLC, in the market itself may come down. When the market itself comes down but their demand will be automatically increases from every corner, your income will continue to be earning on the same level. Only there's a nomenclature changes from agriculture to retail. So overall business will not impact anything. That's what actually I want to clarify to you.
- **Mr. Vedant Engineer:**
- But Sir, it will also impact us, right? Because the agri gold loan will get Canara Bank, because the agri gold loan now will not be PSL compliant, if it is below 2 lakhs.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**

- That's what I'm telling, Sir. Actually, our 40% requirement priority sector, our achievement is 56% in RAM. We have 16%. When you have 16% with us and all other banks also having some surplus, the demand is less. The commission offered on that PSLC used to range from 1.5 to 1.75 in the first quarter, in the last quarter, 0.4 to 0.5. But since because of this reclassification, it's not that the reclassification impacts only the bank, Canara Bank, it impacts all the banks. So, supply also will, even the RRBs also will be impacted. So supply itself will come down but it's not that we will be coming below 40%, from 56% we may come to 50% or 51% but still we have cushion of 10% to 11% to sell in the PSLC, but it gives an opportunity to sell at a higher commission.
- **Mr. Vedant Engineer:**
- Cost. Yeah.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- So already in the 1st April itself I have seen that the commission is touching almost 3%. In the last quarter we sold more than 2%, generally that's in the last quarter the commission we used get at only 0.4%, but we got 2%. So that demand increases that so naturally we expect more higher commission when the demand is more.
- **Mr. Vedant Engineer:**
- Understood. Understood, Sir. Sir, and also just on retail loans overall book is up 42% Y-O-Y and now the main driver here will be gold loans, is it, Sir because housing is up 13%, vehicle 19%, water is drilling....?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- See, normally retail is growing at 14% to 15% other than gold, housing, vehicle and all. But the gold loan portfolio new product we have launched in for metropolitan cities and all that is helping that portfolio to grow at 42%.
- **Mr. Vedant Engineer:**
- Sir, how big is the retail gold.....
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Other than gold is growing at 14% to 15%, with gold it is 42%.
- **Mr. Vedant Engineer:**
- Okay, so Sir how big is the retail gold book? Around 50,000 crores, is it?

- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Now it is around.... now Sir, it is a total of 2,23,000 retail growth, isn't it Sir, from that 48,000 is gold loan book.
- **Mr. Vedant Engineer:**
- Understood. And, Sir, just last question on bulk deposits, what sort of... what is the cost of bulk deposits today? How has it moved in the last one month?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Bulk deposits, the demand has come down, the market rates also has come down drastically and we also reduced our retail deposit, our interest rate on the deposits have reduced drastically. But this we have seen only in the bulk deposits. Still we have not seen much rateI mean reduction in the retail term deposits. Unless otherwise interest on retail term deposits comes down, it may not get benefit in the cost of funds.
- **Mr. Vedant Engineer:**
- Yeah, yeah. No, but how much is it at present, Sir, like 6%, 6.5% the rate?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- No, no, no. It has not reduced so much also.
- **Mr. Vedant Engineer:**
- Because you'll have a 4 lakh....
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Even now also it is ranging around 7%.
- **Management Team:**
- It depends on the tenure.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- It depends on the tenure also. See, you can't generalize it, so 46 days, 90 days, 6 months, 3 months, 1 year, it varies for that. But overall it is, I think it's around, if it is 1 year it is around 7, 7.10. That is the result. That is the percentage actually.

- **Mr. Vedant Engineer:**
- Understood Sir. Okay. This is it from my end. Thank you. Wish you all the best.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Thank you, Sir.
- **Moderator:**
- We have next question from the line on Mr. Jain.
- **Mr. Jain:**
- Hello. Yeah. Good evening, Sir.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Good evening, Sir.
- **Mr. Jain:**
- Sir, a few questions. First, Sir, out of this, just on Agri-gold and retail gold, just to reconfirm the numbers, out of 2.46 lakh crore of Agri portfolio the Agri-gold is 1.3 lakh crore, right?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Yes, Sir.
- **Mr. Jain:**
- Is that the number?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Yes, Sir.
- **Mr. Jain:**
- And retail gold is 48,000 crores.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**

- Yes, Sir.
- **Mr. Jain:**
- Correct. And, Sir, this number, how much was this last year FY24, retail gold and Agri-gold?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Retail gold was hardly, it is 1,000 to 2,000, Sir. Now it is increased to 48,000. But the agriculture gold was 153, it has come down to 133.
- **Mr. Jain:**
- Okay. Right. So, Sir, what is the yield on this retail gold, broad range?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- It is above 9%, Sir.
- **Mr. Jain:**
- Okay. So, Sir, this growth in this retail gold is also helping the yields, right? That is a fair assumption, right?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Definitely. Definitely. Definitely, Sir.
- **Mr. Jain:**
- Right. And, Sir, how do you, that the growth has been phenomenal, right, and you said that part of this was because you had a portfolio which was earmarked as Agri. So, from 48,000 crore, how big can this be or you think that whatever shift has to happen has already happened in this in retail gold?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- So, from metropolitan book it is shifted already, completely.
- **Mr. Jain:**
- Okay.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**

- Right, Sir? Now, this year, we may take little more our actions in line with the regulator. That is, we may stop funding up to 2 lakhs on the agriculture purpose by taking the gold. So, that also may push another 20,000 crores to retail. Hello?
- **Moderator:**
- Mr. Jain...
- **Mr. Jain:**
- Yeah. Sir, I was saying that this 48,000 crore can move up to 70,000 crores by FY26 end. Is that the range, broad range?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- We can expect that, that is in the retail per se.
- **Mr. Jain:**
- Right. And, Sir, what is the yield in Agri gold?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- See, it is around 8.7, 8.6, that will be like that but this is a 9.10, 9.15.
- **Mr. Jain:**
- Right. So, maybe 30, 40 basis point yield differential, not material...
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- It will help for us, Sir.
- **Mr. Jain:**
- Okay. Sure. And secondly, Sir, if you can also highlight what is your loan mix by benchmark, EBLR, MCLR, and this gold...
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- That is 44%, Sir. MCLR is 56%.
- **Mr. Jain:**

- Okay. 44 is EBLR.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- EBLR, Sir.
- **Mr. Jain:**
- And gold loan, Sir, would that be fixed or still floating?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- No, Sir. It is in MCLR linked, Sir.
- **Mr. Jain:**
- Okay. So, Sir, your EBLR resetting, if the RBI decides to cut repo rate on, let's say, in Feb 4th, you would have passed on almost immediately, right? One, two days difference.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Yes, Sir. Yes, Sir. In both the times, we have passed it on within 3 days or 3, 4 days.
- **Mr. Jain:**
- So, Sir, now when RBI is yet to complete, I mean, yet to cut, let's say, broad consensus around 50 basis point, your 44% of the EBLR will see immediate repricing. Your cost of deposit will remain more or less flattish or may come down by 5, 10, 20 basis point. How is it that your margin will held up? I mean, you have said that margin will decline more or less by 5 basis point only. So, what is the offset?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- If you see that sequentially from December and the March, our NIM is improved 3 basis points. Right. The rate of interest, though already one time we have reduced that in the February itself that repo rate, this is only because of our effective operations of retail deposits and bulk deposits. In the March quarter and January 26, we have given a call to, we have taken as a bank.... as an entire bank, we have taken a call to focus more on the retail deposits and CASA. We have given a call that each staff has to mobilize a 10 lakh of deposits, which is actually the tremendous response has come from our 82,000 staff members, though we expected that we may garner around 8,000 crores but we could garner 17,000 crores. That 17,000 crores at a retail deposit and CASA is a huge help....

- **Management Team:**
- I'll request everybody else to mute their mic please. Others who are not talking.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- So this 17,000 crores has helped us in improving that 3 basis points in the NIM there. Like that we want to continue and already bulk deposits, this year it has come down, already April 1st onwards we have seen that softening in the rates on the bulk deposits. That also will help us in maintaining that. Maybe first quarter and second quarter, some stress may be there but I am sure that in the third quarter and fourth quarter we can regain it and we will be there at 2.75 to 2.80. See, already 2.73 is there in the current March quarter, where you find that the deposit rates have gone to the peak. Now deposit rates also started softening it, in such conditions we are confident that overall cumulative it can be maintained at 2.75 to 2.80.
- **Moderator:**
- Thank you, Sir. We have the next question from the line of Mr. Kunsh Khanna. Kunsh please unmute yourself and go ahead.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Hello...
- **Moderator:**
- We have our next question from the line of Mr. Praful Agrawal. Praful Agrawal...We have our next question from Mr. Om. We have our next question from the line of Mr. Janardhan. Mr. Janardhan.... Mr. Bhavik
- **Mr. Bhavik:**
- Hi Sir. Am I audible?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Hi. Yes, you are audible, Sir.
- **Mr. Bhavik:**
- So, thanks for the opportunity, Sir. So, 3 questions. Sir, first of all, SAR rate would be at 2.9% versus peers at 2.7, 2.75.... savings account rate.
- **Management Team:**

- Bhavik, please repeat your question.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Repeat the first question.
- **Mr. Bhavik:**
- Sir, our savings account rate would be 2.9% versus peers at 2.7, 2.75. Do we plan to cut our savings account rate?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- See, the decision we are yet to take, we are not focused on that. Actually, our rate of interest at 2.90 at this moment. So, we have a cushion to reduce up to match with that other bank at 20 basis points. We are yet to take a call on that because we are not focused. Once this results and all is over, the ALCO committee, next ALCO committee the discussion will happen and we will take a call on that.
- **Mr. Bhavik:**
- Okay. But, Sir, I mean, you would be open to do it, right?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Yeah. But, at the same time, we may take some benefit to the customer also. It's not that we want to take benefit from the customer. We want to give it back to the customer also. Maybe it's too early to comment on that. We may waive the minimum balance charges completely. Something will be there. It is not that we want to take something from the customer.
- **Mr. Bhavik:**
- Understood, understood, Sir. And, Sir, how should we think about your credit cost? As in last few years, PCR improved meaningfully. Incrementally, as in we don't need to improve PCR a lot. So, why still guidance of 90 basis point? Can we separate our credit cost and
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- The reason is still we are at 92. No, no, still our PCR is at 92.70. Last time also, several times I shared with you that our target is our PCR should be above 95%. So that any shocks, anything is, we will be easily absorbing that. It's a complete, it will be ensured. That is the purpose actually, we want to ensure that our PCR should touch either 95% or cross the 95%. That's the approach we have taken 2 years back also. We have shown that in the current year, 1 year itself, we have

increased 360 basis points. There we want to touch that, till that we touch the 95%, we want to keep additional provisioning in the NPA accounts. That additional provisioning, whatever we are doing it, that is turning into a credit cost. Otherwise, in practical purposes, in real purposes, the credit cost will be much, much lower. But in the future ready balance sheet we want to strengthen that balance sheet, we want to strengthen our PCR. That's why we are providing more provisions on the NPAs.

– **Mr. Bhavik:**

– Understood, Sir. And Sir, what would be your average LCR as on date, Liquidity Coverage Ratio?

– **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**

– See, average LCR is almost 139-140% is there.

– **Mr. Bhavik:**

– Understood, Sir. Thank you so much, Sir. That's it from my side.

– **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**

– Thank you, dear.

– **Moderator:**

– We have our next question from the line of Mr. Anand Dama. Please unmute yourself.

– **Mr. Anand Dama:**

– Thank you. Sir, my first question is on your SMA slippage during the current quarter. Do you see more NPAs flowing from there because if you look at your SMA book also has gone up, particularly the SMA-0. Is it more because of the mid-corporate segment to some extent slipping through?

– **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**

– No, Sir. Let me clarify to you that actually in SMA if you see that overall, if you year-on-year, quarter-on-quarter if you see there is a reduction. That's because of that RANL has gone out of this. But still, earlier also I shared with you that 3 more accounts are there, 2 government accounts from one state, that one our Bengaluru, one corporate account. These 3 accounts are coming, they are continuing in the SMA. So those two together itself is 7,000 crores. These 3 accounts together. If you remove that, it is hardly any 3,000.

– **Mr. Anand Dama:**

- But then if you look at this quarter, you had higher SMA slippages. So that is not part of the SMA book at all, right?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Again, I am telling you, this quarter you should not see that the quarter-on-quarter, Sir. I don't agree with you. So always March quarter you should compare with the previous year March quarter because it's 100% auditing will happen. It's not the system, whatever the system driven is there, only that NPAs will be looked into that. Sometimes on technical grounds also some of the auditors would like to classify some accounts as an NPA. Maybe small accounts. Such things will happen and the respective authorities will agree for slippages and all. Otherwise actual slippages were 2,200. Then during the branch audit and all some 400 crores have been added. That's why it has come to 2,700 crores. Sequentially, if you see that it's 2,500 to 2,700, it's 200 to 250 crores more, you can see that. But mostly it has happened only in the MSME sector. Generally, quarter-on-quarter, every quarter our MSME slippages are 1,000 crores. But this quarter, because of some auditors', on technical grounds they classify that through MOCs, another 250 crores is there. Our MSME slippage is now this quarter, it's 1,250 crores.
- **Mr. Anand Dama:**
- So it's mainly because of technical, not underlying stress in the SMA pool?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- No, no, no.
- **Mr. Anand Dama:**
- That's the conclusion, right?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Nothing like that.
- **Mr. Anand Dama:**
- Sir, one more question was on your PLI incentive.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Again, my request to you is, March always compare with the previous March, not sequentially.
- **Mr. Anand Dama:**

- Sure, sure, Sir. And Sir how much is your PLI incentive that we have provided during the quarter?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Almost 250 crores we have provided, Sir.
- **Mr. Anand Dama:**
- Okay. Great, Sir. Thanks a lot.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Thank you dear.
- **Moderator:**
- We have our next question from the line of Apurva Deshmukh. Please unmute yourself. We have our next question from the line of Mr. Liles
- **Mr. Liles:**
- Hi Sir. Can you hear me?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Hi. I can hear you, Sir.
- **Mr. Liles:**
- Good evening. Sir, just one question, if you can provide a certain guidance on your overall advances, growth and the return on assets. I mean, your targets going further, you know, for FY26?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- In this advances growth, already we have given a guidance of 10 to 11 %. Our return on average assets also, we have given a guidance of 1.05. Generally, you are aware that we give conservatively, and we will try to surpass that what we have given.
- **Mr. Liles:**
- Okay, Sir. Okay. Thank you and all the best.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**

- Thank you, Sir.
- **Moderator:**
- We have our next question from the line of Mr. Ashish. Please unmute yourself.
- **Mr. Ashish:**
- Hi Sir. Good afternoon. Sir, first question is on a disclosure on slide number 16, where you have shared the non-interest income recovery. This amount is about 2471 crores. That is one disclosure. Then on slide number 28, you have given another number which is 3049 crores, which is recoveries in return of account.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Okay. Actually, let me say...
- **Mr. Ashish:**
- Could you state what is the difference between these two?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Let me say that in the return of accounts, when you recover the amount, something will go to the book balance, something will go to the interest amount. This is the difference. Actually, when you have shown that 3000 odd is the total together, both towards the book balance and both the interest. But when you see the other side, only the reduction of the NPA, when you see that, there we have taken only book balance.
- **Mr. Ashish:**
- You mentioned another amount of about 700 crores earlier in the call, which was interest from NPA recoveries. Would that be separate from.....
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- That is on interest on NPA. That will be reflecting in other interest income, interest on advances. That is adding to the NIA.
- **Mr. Ashish:**
- Okay. The difference between....Okay. So, both these items are going to NIA.

- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- No, both will not go. One will go to that NIA interest portion. The other portion will come to that other income. Principal portion will go into the other income.
- **Mr. Ashish:**
- Okay. Sorry. Sorry to repeat this one. The difference in the slide numbers, 2471 on slide 16 and 3049, that is about 600 crores difference.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- So, that is what I am telling, Sir. Whatever the actually interest on recovery, also interest on NPA accounts will be bifurcated in two. One is interest on actual NPA accounts. One is interest on return of NPA,. So, that is where when we reflect return of accounts, we will not take the interest on NPA accounts. We will show only the interest on return of accounts and plus the recovery towards the return of accounts balance. These two together only we reflect that. That is why you are thinking that the difference...
- **Mr. Ashish:**
- And both these items go into interest income. Both these items go into interest income.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- I am telling you interest on return of accounts and interest on NPA accounts, both will go to the interest on advances. But interest recovery towards the return of accounts book balance will go to the other income.
- **Mr. Ashish:**
- Okay. Understood. Sir, secondly can you just share the size of your personal loans book and the credit card book?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Credit card?
- **Management Team:**
- Credit card and personal loan book.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**

- Only personal loan book we don't have actually the problem. We have around 18,000 to 19,000 crores is there. Out of that 6,000 to 7,000 crores is unsecured educational loan. The remaining 13,000 crores is loans to salaried class and the pensioners who draw their salaries and pensions through Canara Bank only. We don't give the personal loans to non-customers or the customers who are not salaried class and who are not drawing the salary through our bank. That's why we don't have any apprehension on that. And our credit card is only 1100 to 1200. That is the outstanding.
- **Mr. Ashish:**
- And what would be the NPA ratio in the PL?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- PL or NPA ratio is even less than 1%. 0.49 or 0.50 it is there.
- **Mr. Ashish:**
- Okay. Perfect, Sir. Thank you.
- **Moderator:**
- We have our next question from the line of Mr. Kunsh Khanna. Mr. Kunsh, please unmute yourself. We have our next question from the line of Mr. Ashok Ajmera.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Tell me Ashok ji.
- **Mr. Ashok Ajmera:**
- Thank you for giving the opportunity again. Though lot of questions they have been asked and the answers have been given, so many things have already been clarified.
- But Sir, I just would like to know a little colour on our total overall investment book. And now with the change valuation norms it is becoming difficult to get more of the investment income from the investment and directly in the P&L account other than what goes into the interest income. Having said that you know as per the gain which have gone to the reserve 1748 crore has gone to general reserve and AFS gain of 404 crore also has gone to AFS reserve and not in P&L. So I just wanted to have one small data point. Had it been a gain which would have gone to P&L for this quarter how much out of this gain belonging to this quarter gain which has gone to the general reserve, and which has gone to AFS reserve?
- *too low...talking together*

- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- Then we have to send them separately.
- **Mr. S.K. Majumdar - Executive Director, Canara Bank:**
- Sir, that 1700 crore what you said has happened in the beginning of the year that when it was shifted, that is on 1st April, that is in 1st quarter.....
- **Mr. Ashok Ajmera:**
- Yes Sir.
- **Mr. S.K. Majumdar - Executive Director, Canara Bank:**
-and this 400 also has happened during the course of the year. Exactly.....
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- So we can provide you that figure also.
- **Mr. S.K. Majumdar - Executive Director, Canara Bank:**
- But that's not a very big figure, Sir.
- **Mr. Ashok Ajmera:**
- Okay.
- **Management Team:**
- No, bifurcation you can send it to him.
- **Mr. Ashok Ajmera:**
- Okay, Sir. Now coming to the analysis like on the treasury front with these two rate cuts are expected I think 50 basis point or maybe even more. Going forward can you give some colour from the treasury gains which are going to be very handsome gains as everybody is predicting. So on that the trading gain I mean any kind of gain or profit which will come to P&L from our treasury books, what is the estimates or can you give some idea on that?
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**

- You see last March it was around 3610, we can have an estimate of somewhere around 4000 crore for these type of trading gains.
- **Mr. Ashok Ajmera:**
- Okay, because you have a very....your AFS book is also 56000 crore and HTM also 3,01,000 crore and must be having a very frequent trading gains also. So all together you are expecting a gain of about 4000 crore in the FY26, Sir.
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- FY25-26 we are estimating that, of course it depends on many factors as you are all aware. So, our conservative estimate is that only.
- **Mr. S.K. Majumdar - Executive Director, Canara Bank:**
- Sir, the estimate what you said is, this is expected to be better but as you know HTM now I cannot trade freely.
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- We are restricted to 4000 only.
- **Mr. S.K. Majumdar - Executive Director, Canara Bank:**
- That is we can shift...we cannot shift.
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- We cannot shift.
- **Mr. S.K. Majumdar - Executive Director, Canara Bank:**
- Only once in a year we can shift. That last year what we have shifted that is the only shifting that we can do and the rest is 5%. So that free trade that immediate what you were telling in the past that bond rate falling means there is a change we can trade that is no longer there. But having said there definitely will be an increase in the AFS portfolio which we expected to gain and we are building our books accordingly. But given the volatility that happens and it is still there it is difficult what you want to hear that quantification is a problem. We don't want to quantify what we want to say what we have achieved last year there is definitely will be an upside to that.
- **Mr. Ashok Ajmera:**

- Point well taken, Sir. One data point only, our investment has a small investment of 1577 crores, in the
- **Moderator:**
- Thank you, Sir. We have our next question from the line of Mr. Sushil Choksey. Sir, please unmute yourself.
- **Mr. Sushil Choksey:**
- Sir, congratulations on very good numbers.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Namaste Sir Choksey Saab.
- **Mr. Sushil Choksey:**
- Namaste. Sir, first question how would we stabilize CASA on an upper trajectory from the aspiration what we have?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Sir first you hope you will see from the December quarter, quarter-on-quarter there is an appreciation is there in the CASA.
- **Mr. Sushil Choksey:**
- No, no I see
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Right Sir, even the second the CASA when you compare to March and this, the March 24 it is 32. something 29 something is there now it is 31.17 or something is there one basis point that is 100 basis point we might have lost, that is not lost that actually the growth momentum what is there in the total business or the term deposits is more than 10% but the CASA that is same thing the 10% growth is not happening. But definitely I'm sure you will agree with that we have not lost as the other peer banks have lost that much. Almost every bank has lost 300 - 400 basis point in the CASA but we have not lost that. Actually we are able to maintain the above 30% with all our initiatives whether it is a products or processes we are the first bank we introduced N number of targeting the, aiming the life cycle of individual we have created a new products. These products are giving us lot of comfort to that we continue to work on that CASA. Even today or the next financial year I can openly say that for us the most priority is CASA. We will keep continue that but in the given circumstances growing in the CASA at the rate with the other market parameters

are growing definitely it is a difficult task. The reason behind is the payment systems are matured, people are matured, everybody is using the technology, and most of the transactions are happening on the mobile app. Under such circumstances they can do banking 24 hours on 365 days I don't think that the people will keep in the savings or the current deposits too much amounts beyond their minimum requirement. Under such circumstances you can only attract from other bank customers with innovative products and all, that's what, what we are doing. And nurturing of existing customers also we have come out with one new innovative product that is also Canara Crest the product that is also is giving some good results. These are all the efforts we continue and in addition to that last 2 years we have opened almost 500 new branches, this year also we are opening a 250 more branches. These 750 branches we have targeted, whatever the opened and whatever are going to open, these branches we are locating by using the market trends and the AI and the machine learning tools we are using especially data analytics we are using effectively. Pin code wise we have the data bank where the CASA potential is there where that potential looking at the potential we are planning to open the branches. This entire 750 branches we are opening like that only. So that will also help us in maintaining or improving little bit, not so I mean we cannot assure you completely that we will.... Steeply, we will grow in this but we can continue that. We don't want to lose the market what we have.

– **Mr. Sushil Choksey:**

– That I agree with your numbers on q-o-q and CA and SA both. I've read the numbers. What I feel that aspiration with so much digital spend which you have done, so many new products have initiated, management is making so effort, I suppose the entire effort of last 2,3 years on digitization starts paying off Canara on much higher outcome. That's the only question I have. I'm not... my thinking is that....

– **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**

– Yes, Sir, that definitely that definitely it has benefited the Canara Bank much higher than the industry. Whatever the initiatives we have taken, but the only thing whatever the initiatives we've taken, unfortunately the regime is high interest rate regime. Then now the tendency has started that rate cuts are coming from the regulators. So slowly we expect that in next one year the rate competition deposit rate also will cool down. Once that cool down, our efforts will give much more benefits, whatever the efforts we have done in the investment, in the technology or the product the better results we can see in the coming years. That is what I am telling Sir.

– **Mr. Sushil Choksey:**

– Sir, the current year, what would be a digital spend? And second thing, when we have a super abnormal profit in treasury this year, how do we intend to balance that treasury profit, with what kind of other assets. Will you buy more corporate bonds which are lucrative or how would we work on that aspect?

– **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**

- Mukherjee Sir will answer you, Sir.
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- Actually, in this year also we have tried to increase our non-SLR book and book profits by the transaction in that book. This year also we will try to repeat whatever we did because our non-SLR book historically has been very low. So that will be our strategy as well as you know, last year we could churn our investment in mutual funds and earn profit. This year also market supporting, we will try to do that. So whatever extra profits we earn by way of treasury income will be invested in these 2 portfolios and we will try to and also in the equity market.
- **Mr. Sushil Choksey:**
- Sir, the digital spend number, if you can elaborate, what are we likely to spend?
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Sir, around 800 crores.
- **Mr. Sushil Choksey:**
- Sir, thank you and all the best for the year to come.
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Thank you, Sir. Thank you so much.
- **Mr. Debashish Mukherjee – Executive Director, Canara Bank:**
- Thank you, Sushil ji.
- **Mr. Sushil Choksey:**
- Thank you, Sir.
- **Moderator:**
- That was the last question for the day. We....
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Thank you.

- **Moderator:**
- **Mr. Satyanarayana Raju - Managing Director & CEO, Canara Bank:**
- Thank you so much.
- **Moderator:**
- Thank you everyone for joining the call. This is the earnings call of Canara bank.

END OF TRANSCRIPT