

**INTERNSHIP REPORT ON  
CANARA BANK**

Submitted By

**SOWMYA R**

**USN: 4AL21BA089**

Submitted To



**VISVESVARAYA TECHNOLOGICAL UNIVERSITY  
BELGAUM**

In partial fulfilment of the requirements for the award of the degree of

**MASTER OF BUSINESS ADMINISTRATION**

**Under the guidance of**

**INTERNAL GUIDE**

**Mr. JOHNSON FERNANDES**

**Assistant professor**



**ALVAS INSTITUTE OF ENGINEERING AND  
TECHNOLOGY,  
MIJAR, MOODBIDRI**

**2022-23**



Ref : MGC/HRM/2306/2022

Date: 23.12.2022

### CERTIFICATE

Certified that, Kum Sowmya R (USN 4AL21BA089) studying MBA in your College has completed her project work on "Organization Study" at our Moodabidri Branch (DP 10128). During this period, interest evinced by her in completing the project work was good.

This Certificate is issued at the request made by the student, to enable her to submit the project report. Bank assumes no responsibility for content, errors or omissions in the project report submitted by the above student.

OFFICE OF  
CANARA BANK  
CIRCLE OFFICE  
BALMATTA ROAD, MANGALURU

NAME : DEVIPRASADA P  
DESIGNATION : SENIOR MANAGER  
HRM SECTION : CO MANGALURU



To,  
The Dean  
Alva's Institute of Engineering and Technology  
Moodabidri



# ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

(A Unit of Alva's Education Foundation @ Moodbidri)

Affiliated to Visvesvaraya Technological University, Belagavi

Approved by AICTE, New Delhi & Recognised by Government of Karnataka

Accredited by NBA (CSE & ECE)

DATE: 30/01/2023

## CERTIFICATE

This is to certify that **SOWMYA R** bearing USN **4AL21BA089**, is a bonafide student of Master of Business Administration program of the Institute (2021-23) affiliated to Visvesvaraya Technological University, Belagavi.

The Internship report on "CANARA BANK, MOOBBIDRI" is prepared by her under the guidance of **Mr. Johnson Fernandes**, Assistant Professor, PG Department of Business Administration in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

**Mr. Johnson Fernandes**  
Internal Guide

**Mrs. Priya Sequeira**

DEAN

Dept. of Business Administration  
Alva's Institute of Engg. & Technology  
MIJAR - 574 225

**Dr. Peter Fernandes**

Principal  
PRINCIPAL

Alva's Institute of Engg. & Technology,  
Mijar. MOOBBIDRI - 574 225, D.K

## **DECLARATION**

I **SOWMYA R** bearing USN 4AL21BA089 hereby declare that this Internship conducted at **Canara Bank** is a record of independent work carried out by me under the guidance of **Mr. Johnson Fernandes, Assistant Professor, MBA department, Alva's Institute of Engineering & Technology, Mijar.**

I also declare that this Internship is towards the partial fulfilment of the university regulation for the award of the degree of **Master of Business Administration by Visvesvaraya Technological University, Belagavi.**

I have undergone an internship for a period of four weeks. I further declare that this Internship is based on the original study undertaken by me and has not been submitted for the award of any degree from any other University/Institution.

**Place:**

Sowmya R

**Date:**

(4AL21BA089)

## ACKNOWLEDGEMENT

I would like to take this opportunity to express my sincere gratitude to all those who have helped me throughout this Internship. It gives me immense pleasure to acknowledge all those who have encouraged and supported for the successful completion of this work.

I would like to express my sincere thanks to Principal **Dr. Peter Fernandes, AIET, Moodbidri**. And I express my deep sense of gratitude to my internal guide **Mr. Johnson Fernandes, Assistant Professor of MBA department**, for constant support and encouragement to carry out my report successful without much difficulty.

I express my heartfelt thanks for their constant encouragement and support during the entire report.

I extend my sincere thanks to my external guide for their guidance.

Finally, I express my sincere thanks to my parents, family, friends and all the staff of MBA department, whose support and encouragement kept me going at times of need. Deepest thanks to you all. They are all indeed the reason for the successful completion of this report.

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## **EXECUTIVE SUMMARY:**

This internship program is conducted for the partial fulfilment of MBA course offered by VTU. As VTU has its own unique syllabus, the student has to go 4-week internship program before the commencement of 3<sup>rd</sup> semester. For the purpose of acquiring practical knowledge of the working and functional of the company.

This internship is regarding Canara Bank, which presented in terms of various chapters such as Industry profile, Organization profile, Mckensy's 7S Framework and Porter's five force model, SWOT Analysis, Analysis of financial statement. These four weeks of duration, there was a good exposure for learning towards the operation of the organisation deals with the employees and the customers.

There is a detailed discussion about the introduction of the organization profile and the industry profile. The organization profile includes background, nature of business and vision, mission and quality policy of the company. It also includes workflow model, product/service profile and future growth and prospects of the company. The report also includes Mckensy's 7S Framework and porter's five force model with special reference to Canara Bank and SWOT analysis to understand all sorts of situation in organization. The report includes analysis of financial statement for the year – 2018, 2019, 2020, 2021 and 2022 and the report also includes learning experience.



## **CHAPTER - 1**

### **INTRODUCTION ABOUT THE ORGANIZATION AND INDUSTRY**

## INTRODUCTION ABOUT THE ORGANIZATION AND INDUSTRY

### Introduction To Canara Bank:



**112 J C Road, Town Hall Junction, Bangalore, Karnataka**

<b>Type</b>	:	Public
<b>Treaded as</b>	:	<b>BSE:</b> 532483 <b>NSE:</b> CANBK
<b>Industry</b>	:	Banking
<b>Headquarters</b>	:	Bangalore, India
<b>Number of locations</b>	:	9722 branches 12158 ATMs
<b>Key people</b>	:	Lingam Venkata Prabhakar (MD & CEO)
<b>Owner</b>	:	Government of India
<b>Number of Employees</b>	:	86919

Canara Bank Was founded by Shri Ammembal Subba Rao Pai, a great visionary and philanthropist, in July 1906, at Mangalore and is currently headquartered in Bangalore, India. Canara bank is a government owned listed entity with market capitalization of over ₹52,219.74 crores and is the fourth largest public sector undertaking bank in the country.

As at September 2022, Canara Bank services over 10.6 crore customers through a network of 9,722 branches and 12,158 ATMs/Recycler spread across all Indian states and Union

Territories and also has a presence in foreign lands like Dubai, Hong Kong, Johannesburg, London and New York. On 1<sup>st</sup> April 2020, it merged with syndicate bank which eventually made it the fourth largest public sector undertaking bank in India.

Canara Bank established its international division in 1976. In 1983, Canara Bank opened its first overseas office, a branch in London. Two years later, Canara Bank established a subsidiary in Hong Kong International Finance. In 2008 – 09, Canara Bank opened its third foreign operation, this is one a branch in Shanghai. Later Canara Bank established a branch each Leicester and Bahrain, and converted its Hong Kong subsidiary into a bank.

## **Introduction to Industry:**

The term bank is derived from the French word “Banco” which means a Bench or Money exchange table. A bank is a financial institution and a financial intermediary that accepts deposits and channels those deposits into a lending activity, either directly or through capital markets. A bank connects customers that have capital deficit to customers with capital surpluses. Oxford dictionary defines a bank as “an establishment for custody of money, which it pays out a customer order”.

In today’s dynamic world banks are inevitable for the development of the country. Banks plays a pivotal role in enhancing each and every sector. They have helped bring a draw of development on the world’s horizon and developing country like India is no exception.

Bank fulfils the role of financial intermediary. This means that it acts as a vehicle for moving finance from those who have surplus money to (however temporarily) those who have deficit. In everyday branch terms the banks channel funds from depositors whose accounts are in credit to borrowers who are in debit. Without the intermediary of banks both their depositors and their borrowers would have to contact each other directly. This can and does happen of course. This is what has led to the very foundation of financial institution like banks.

Before few decades there existed, some influential people who used to lend money. But a substantially high rate of interest was charged which made borrowing of money out of the reach of the majority of the people so there arose a need for a financial intermediate.

Banking industry has always revolved around the traditional function of taking deposits, money transfer and making advances. Those three are closely related to each other, the objective being to lend money, which is the profitable activity of the three. Taking deposits

generates funds for lending and money transfer services are necessary for the attention of deposits. The Bank have introduced progressively more sophisticated version of these services and have diversified introduced in numerable areas of activity not directly relating to this traditional trinity.

### **Banking in India:**

Banking in India originated in the first decade of 18<sup>th</sup> century with The General Bank of India coming into existence in 1786. This was followed by Bank of Hindustan. Both these banks are now defunct. The oldest bank in India is the State Bank of India being established as “The Bank of Bengal” in Calcutta in June 1806. A couple of decades later, foreign banks like Credit Lyonnais started their Calcutta operations in the 1850s. At that point of time, Calcutta was the most active trading port, mainly due to the trade of the British Empire, and due to which banking actively took roots there and proposed. The first fully Indian owned bank was the Allahabad Bank, which was established in 1865. By the 1900s, the market expanded with the establishment of such as Panjab National Bank, in 1895 in Lahore and Bank of India, in 1906, in Mumbai – both of which were founded under private ownership. The bank of India formally took on the responsibility of regulating the Indian banking sector from 1935. After India’s independence in 1947, the Reserve Bank was nationalized and given broader powers.

The Indian Banking Industry, which is governed by the Banking Regulation Act of India, 1949 can be broadly classified into two major categories, non – scheduled banks and the co-operative banks. Scheduled bank comprise commercial bank and the co-operative banks. In terms of ownership, commercial banks can be further grouped into nationalized banks, the State Banks of India and its group banks, Regional Rural Banks and private sector banks.

### **INDIAN BANKING STRUCTURE:**

The banking system in India can be broadly divided into three categories, viz. the central bank of the country is known as the Reserve Bank of India (RBI), the commercial bank and the co-operative banks. The Reserve bank of India is the supreme monetary and banking authority in the country. It keeps the reserves of all scheduled banks and hence is known as the “Reserve Bank”.

## **Scheduled and Non – Scheduled banks:**

Under the Reserve Bank of India Act, banks were classified as scheduled and non-scheduled banks. The scheduled banks are those which have a paid-up capital and reserves of an aggregate value of not less than Rs.5 lakhs and which satisfy RBI that their affairs are carried out in the interests of their depositors. All commercial banks – Indian, Foreign and Regional Rural Banks and State co-operative banks are Scheduled bank. Non – Scheduled Banks are those which have not been include in the second schedule of RBI Act, 1934.

Commercial banks have been in existence for many decades. They mobilize savings in urban areas and make them available to large and small industrial and trading units mainly for working capital requirements. After 1969 commercial banks are broadly classified into nationalized or public sector bank s and private sector banks. The State Bank of India and its Associates banks along with another 20 banks are public sector banks. The private sector banks include a small number of Indian scheduled banks which have not been nationalized and branches of foreign banks operating in India – commonly known as foreign exchange banks.

The Regional Rural Banks come into existence since the middle of 1970's with the specific objective of providing credit and deposit facilities particularly to the small a marginal farmers, agricultural labourers and artisans and small entrepreneurs. The Regional Rural Banks have the responsibility to develop agriculture, trade, commerce and industry in the rural areas. The RRB's are essentially commercial banks but their area of operation is limited to a district.

## **CHAPTER – 2**

### **ORGANIZATION PROFILE**

## **ORGANIZATION PROFILE:**

Widely known for customer centricity, Canara Bank was founded by Shri Ammembal Subba Rao Pai, a great visionary and philanthropist, in July 1906, at Mangalore, then a small port town in Karnataka. The Bank has gone through the various phases of its growth trajectory over hundred years of its existence. Growth of Canara Bank was phenomenal, especially after nationalization in the year 1969, attaining the status of a national level player in terms of geographical reach and clientele segments. Eighties was characterized by business diversification for the Bank. In June 2006, the Bank completed a century of operation in the Indian banking industry. The eventful journey of the Bank has been characterized by several memorable milestones. Today, Canara Bank occupies a premier position in the comity of Indian banks.

Canara Bank has several firsts to its credit. These include:

- Launching of Inter-City ATM Network
- Obtaining ISO Certification for a Branch
- Articulation of Good Banking – Banks Citizen Charter
- Commissioning of Exclusive Mahila Banking Branch
- Launching of Exclusive Subsidiary for IT Consultancy
- Issuing credit card for farmers
- Providing Agricultural Consultancy Services

Over the years, the Bank has been scaling up its market position to emerge as a major Financial Conglomerate with as many as ten subsidiaries/sponsored institutions/joint ventures in India and abroad. As at September 2022, Canara Bank services over 10.6 crore customers through a network of 9,722 branches and 12,158 ATMs/Recycler spread across all Indian states and Union Territories.

Not just in commercial banking, the Bank has also carved a distinctive mark, in various corporate social responsibilities, namely, serving national priorities, promoting rural development, enhancing rural self-employment through several training institutes and spearheading financial inclusion objective. Promoting an inclusive growth strategy, which has been formed as the basic plank of national policy agenda today, is in fact deeply rooted in the Banks founding principles. "A good bank is not only the financial heart of the community, but

also one with an obligation of helping in every possible manner to improve the economic conditions of the common people". These insightful words of our founder continue to resonate even today in serving the society with a purpose. The growth story of Canara Bank in its first century was due, among others, to the continued patronage of its valued customers, stakeholders, committed staff and uncanny leadership ability demonstrated by its leaders at the helm of affairs. We strongly believe that this century is going to be equally rewarding and eventful not only in service of the nation but also in helping the Bank emerge as the "Best Bank to Bank with" by pursuing industry benchmarks in profitability, operational efficiency, asset quality, risk management and digital innovation.

## 2.1 BACKGROUND

Canara Bank was founded in 1906 by Sri Ammembal Subba Rao Pai. The bank was initially named as Canara Bank Hindu Permanent Fund. It blossomed in to a Limited Company in 1910 and was renamed as Canara bank Ltd, in 1969 the bank was nationalised and there after come to be known as Canara Bank.

### FOUNDER



A good bank is not only the financial heart of the community, but also one with an obligation of helping in every possible manner to improve the economic conditions of the common people

Our Beloved Founder  
Late Sri Ammembal Subba Rao Pai

In the year 1985 Canara Bank opened its first overseas office in London and establish a subsidiary in Hong Kong, and opened its third foreign branch in Shanghai. It has established itself in the areas of mutual funds, venture capital and factoring.

Sound principles, enlightened leadership, unique work culture and remarkable adaptability to changing bank banking environment have enabled Canara bank to be a frontline banking institution of global standards.



## FOUNDING PRINCIPLES:

1. To remove Superstition and ignorance.
2. To spread education among all to sub-serve the first principle.
3. To inculcate the habit of thrift and savings.
4. To transform the financial institution not only as the financial heart of the community but the social heart as well.
5. To assist the needy.
6. To work with sense of service and dedication.
7. To develop a concern for fellow human being and sensitivity to the surroundings with a view to make changes/remove hardships and sufferings.

Over the years, the bank has been scaling up its market position to emerge as a major 'Financial Conglomerate' with as many as nine subsidiaries/joint venture in India and abroad. In June 2006, the bank completed a century of operation in the Indian banking industry. The eventful journey of the bank has been characterized by several memorable milestones.

## SIGNIFICANCE MILESTONES:

1 <sup>st</sup> July 1906	Canara Hindu Permanent Fund Ltd. formally registered with a capital of 2000 shares of ₹50/- each, with 4 employees.
1910	Canara Hindu Permanent Fund renamed as Canara Bank Limited
1969	14 major banks in the country, including Canara Bank, nationalized on July 19
1976	1000 <sup>th</sup> branch inaugurated
1983	Overseas branch at London inaugurated, Cancard (the Bank's credit card) launched
1985	Takeover of Lakshmi Commercial Bank Limited and commissioning of Indo Hong Kong International Finance Limited (now a full-fledged branch)
1987	Canbank Mutual Fund & Canfin Homes launched
1989	Canbank Venture Capital Fund started

1989-90	Canbank Factors Limited, the factoring subsidiary launched
1992-93	Became the first Bank to articulate and adopt the directive principles of “Good Banking”.
1995-96	Became the first Bank to be conferred with ISO 9002 certification for one of its branches in Bangalore
2001-02	Opened a 'Mahila Banking Branch', first of its kind at Bangalore, for catering exclusively to the financial requirements of women clientele.
2002-03	Maiden IPO of the Bank
2003-04	Launched Internet Banking Services
2004-05	100% Branch computerization
2005-06	Entered 100th Year in Banking Service. Launched Core Banking Solution in select branches. Number One Position in Aggregate Business among Nationalized Banks.
2006-07	Retained Number One Position in Aggregate Business among Nationalized Banks. Signed MoUs for commissioning two JVs in Insurance and Asset Management with international majors viz., HSBC (Asia Pacific) Holding and Robeco Groep N.V respectively.
2007-08	Launching of New Brand Identity. Incorporation of Insurance and Asset Management JVs. Launching of 'Online Trading' portal. Launching of a ‘Call Centre’. Switchover to Basel II New Capital Adequacy Framework.
2008-09	The Bank crossed the coveted ₹3 lakh crore in aggregate business. The Bank’s 3rd foreign branch at Shanghai commissioned.
2009-10	The Bank’s aggregate business crossed ₹4 lakh crore mark. Net profit of the Bank crossed ₹3000 crore. The Bank’s branch network crossed the 3000 marks.
2010-11	The Bank’s aggregate business crossed ₹5 lakh crore mark. Net profit of the Bank crossed ₹4000 crore. 100% coverage under Core Banking Solution. The Bank’s 4th foreign branch at Leicester and a Representative office at Sharjah, UAE,

	opened. The Bank raised ₹1993 crore under QIP. Govt. holding reduced to 67.72% post QIP.
2011-12	Total number of branches reached 3600. The Bank's 5th foreign branch at Manama, Bahrain opened.
2012-13	Highest Dividend of 130% paid for the year
2013-14	1027 branches and 2786 ATMs opened during the year. Global business crossed the ₹ 7 lakh crore milestone. Switchover to Basel III New Capital Adequacy Framework. Branch Network and ATMs increased to 4755 branches and 6312 ATMs.
2014-15	Global Business of the Bank crossed ₹ 8 lakh crore.
2015-16	The Bank's 8th foreign branch at DIFC (Dubai) opened.
2016-17	Branch network crossed 6000 milestones. Total number branches rose to 6083. Canara Bank (Tanzania) Ltd., a foreign subsidiary, opened.
2017-18	Global Business of the Bank crossed ₹ 9 lakh crore.
2018-19	Global Business of the Bank crossed 10 lakh crores, Bank issued 2 crore new equity shares to employees under Canara Bank Employee Share Purchase scheme (CanBank-ESPS).
2019-20	Domestic Business of Canara Bank crossed ₹ 10 Lakh Crore.
1 <sup>st</sup> April 2020	Syndicate Bank has amalgamated into Canara Bank, thus creating the country's fourth largest Bank with a strong network of 10391 domestic branches, 13423 ATMs.
2020-21	Domestic Business of Canara Bank crossed ₹ 16 Lakh Crore and Bank has recorded a Net Profit of ₹ 2558 Crore in FY21.

## CANARA BANK LOGO



### CANARA BANK **"TOGETHER WE CAN"**

Canara Bank changed its logo from flower and petals to a set of two interlinked triangles to suit the new high tech and innovative generation of today. It was released by Union Minister P. Chidambaram in the last week of December 2007.

The interlinked triangles symbolize the idea of a bond which is a representation of the close ties between Bank and its shareholders, customers, employees, investors, related institutions and the society at large. The bank has very rich heritage of banking expertise and is also well known for its dedicated customer service and corporate social responsibility that it has carried through the years to help its stakeholders achieve their goals. Canara Bank being a powerful enabler, with its new brand identity captures the essence of the partnership they intend to share. The rich blue represents stability, scale and depth. This contrasts with accents of bright yellow that evoke optimism, warmth and energy.

## 2.2 NATURE OF BUSINESS

Canara Bank is a public sector company undertaking administered by the government of India. It was nationalized in the year 1969. Canara Bank offers to the industries, NRIs and all other classes of people such as personal banking, corporate banking, NRI Banking, Priority credit, net banking and other services which includes savings and deposits, loan product, technology products, Mutual funds, insurance business, international services, card services, syndication services, IPO, Merchants Banking, TUF schemes, deposit services, loans and advances, remittance facilities, consultancy services.

## 2.3 VISION, MISSION, QUALITY POLICY

### VISION:

To emerge as the Best Bank to Bank with by pursuing industry benchmarks in profitability, operational efficiency, asset quality, risk management and digital innovation.

### MISSION:

To provide State-of-the-Art Banking solutions, leveraging technology, aiding Ease of doing business and enhancing value for all stakeholders through inclusive growth.

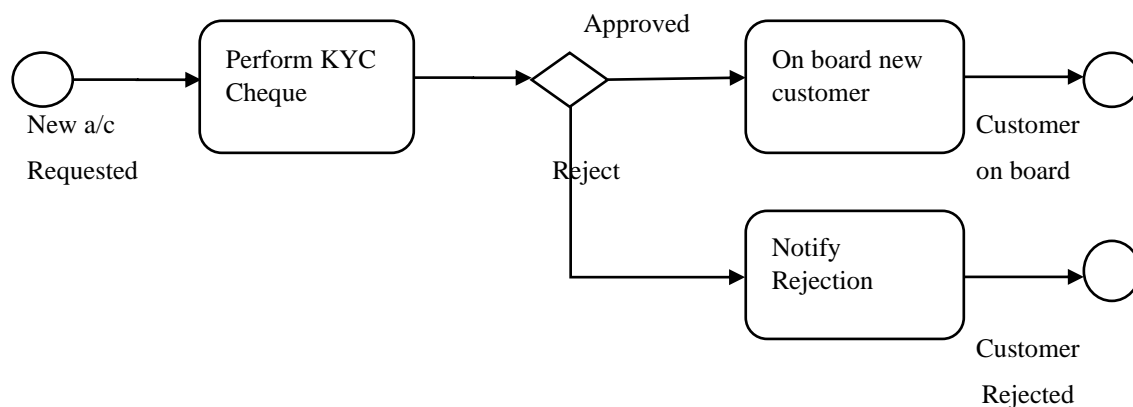
### QUALITY POLICY:

- To provide total banking services to all customers.
- To continually review and improve the processes for TOTAL CUSTOMER SATISFACTION by implementing quality management system requirements as per IS/ ISO 9001.

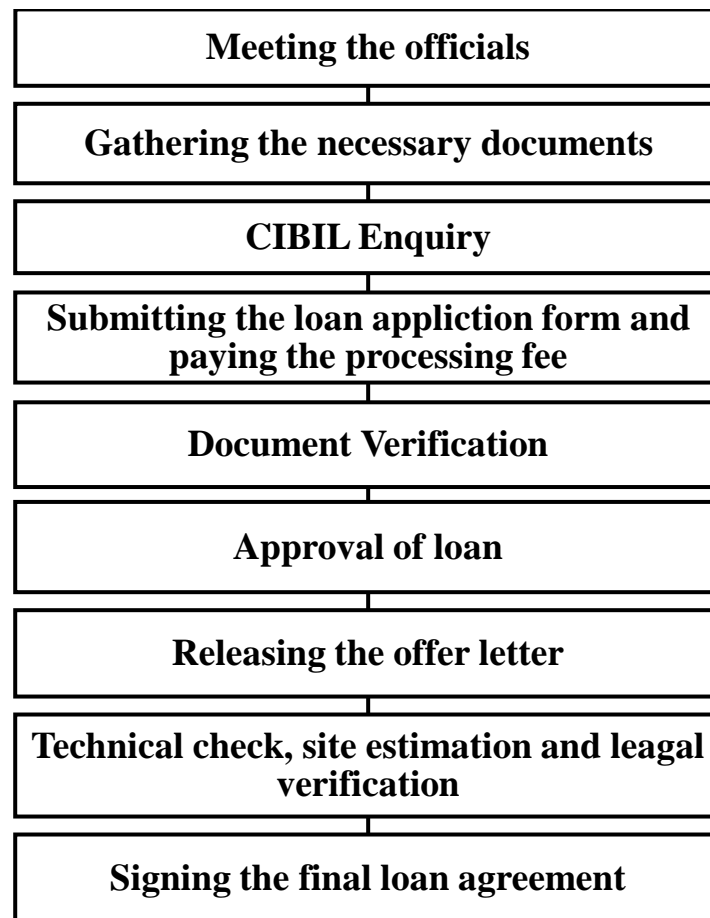
## 2.3 WORKFLOW MODEL

Banking flow chart capture the sequence of work activities that occur when performing tasks like loan application processing or new account opening. Bank use these flow charts as tools to improve employee productivity, customer service and profitability.

### New Account Opening:



### **Loan Application Processing:**



## **2.4 PRODUCT/ SERVICE PROFILE**

Canara Bank, apart from carrying out general banking functions, offers specialized products and services to suit different segments of customers. It categorizes the major functions under four broad areas:

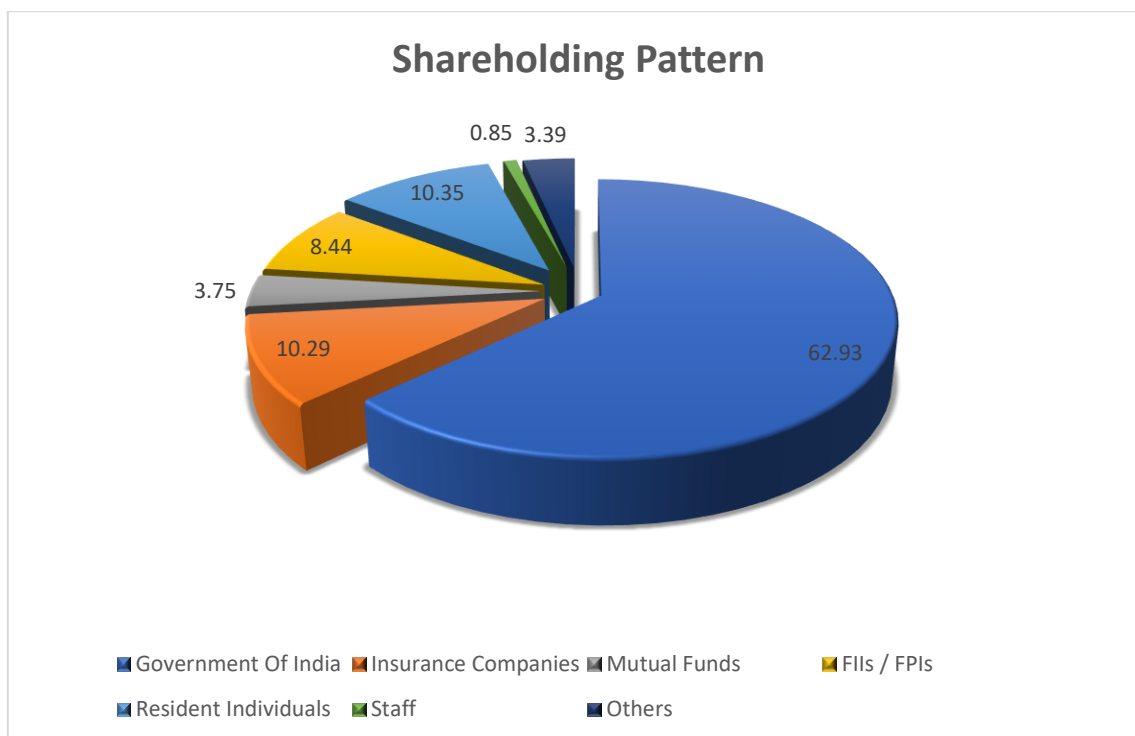
1. Personal Banking
  - a. Savings & Deposits
  - b. Loan Products
  - c. Technology Products
  - d. Mutual Funds
  - e. Insurance business
  - f. International Services
  - g. Card services

- h. Consultancy Services
  - i. Ancillary services
- 2. Corporate Banking
  - a. Accounts & Deposits
  - b. Supply Chain
  - c. Loans & Advances
  - d. Syndicate Services
  - e. Merchant Banking
  - f. TUF Schemes (Technology Upgradation Fund Scheme)
- 3. NRI Banking
  - a. Deposit products
  - b. Loans & Advances
  - c. Remittance Facilities
  - d. Consultancy Services
- 4. Priority Portal
  - a. Schemes
  - b. RRB Section
  - c. Agri - Marketing
  - d. Agricultural innovation centre
  - e. Rural development
  - f. CED for women
  - g. Lead Bank
  - h. In Promotion of Self Employment
  - i. Rural Development Schemes
- 5. Net Banking
  - a. Online Banking
  - b. Online Account Opening (Online SB a/c, Online PPF a/c, APY a/c)
  - c. Online Payment
  - d. Online Services
  - e. Candigital New
- 6. MSME Banking

## 2.5 OWNERSHIP PATTERN

Share holding pattern of Canara Bank are Government of India, insurance companies, mutual fund, FIIs, resident individuals, staffs and others.

Following chart shows shareholding pattern of Canara Bank.



From the above pattern the share holding pattern of government of India are high as shows 62.93% and public shareholders 37.07%, in that Insurance companies 10.29%, Mutual Funds 3.75%, FIIs/FPIs 8.44%, Resident Individuals 10.35%, Staff 0.85%, and others 3.39%.

### Board of Directors

Sl. No.	Name	Designation
1	Shri. L. V. Prabhakar	MD and CEO
2	Shri. Debashish Mukharjee	Executive director
3	Shri. K. Sathyanarayana Raju	Executive director
4	Shri. Briji Mohan Sharma	Executive director
5	Shri. Suchindra Mishra	Government Nominee Director
6	Shri. R. Keshavan	Nominee Director
7	Ms. Nalini Padmanabhan	Part Time Non - Official Director
8	Shri. Dibakar Prasad Harichandran	Part Time Non - Official Director



<b>9</b>	Shri. Bimal Prasad Sharma	Shareholder Director
<b>10</b>	Shri. Karunakara Shetty	Shareholder Director
<b>11</b>	Ms. Abha Singh Yaduvanshi	Director

## **2.3 ACHIEVEMENT/ AWARDS IF ANY**

### **Awards/Accolades Received during FY 2022-23:**

- Canara Bank is awarded 3<sup>rd</sup> Rank under the prestigious EASE Reforms Index Award 2022 (EASE 4.0 Awards) in an event organized by IBA in Mumbai. The Bank is awarded 1<sup>st</sup> prize under the theme Institutionalizing Prudent Banking.
- The Learning and Development vertical of Canara Bank has been awarded the ‘Golden Globe Tigers Awards’ for Excellence & Leadership Training and Development and Best training initiative for Banking Sector.
- Canara Bank received 2<sup>nd</sup> prize for overall performance under Animal Husbandry Infrastructure Development Fund (AHIDF) Department of Animal Husbandry and Dairying, Ministry of Fisheries, Animal Husbandry & Dairying, Government of India.
- Canara Bank received 2nd prize for Campaign period Target Achievers and 3rd prize for valuable contribution by Banks during Agri Infra Fund Award Ceremony.

### **Awards/Accolades Received during 2021-22:**

- Canara Bank has received APY annual award 2021-22 from PFRDA.
- Canara Bank has been awarded 2<sup>nd</sup> Position under implementation of Prime Minister Employment Generation Programme (PMEGP) for FY 2020-21 by KVIC, Ministry of MSME.
- Canara Bank has received Runner-up award in IBA’s 17th Annual Banking Technology Conference and Awards 2020-21 “Next Gen Banking” under the category “The Best Payment Initiatives”.
- Canara Bank has been awarded "BEST MSME BANK OF THE YEAR (PSU)-RUNNER UP” at 8th MSME EXCELLENCE AWARDS BY ASSOCHAM.
- Canara Bank won best in House Magazine by Feather Business Solutions with Economic Times as media Partner for in-house Magazine “Shreyas”.
- Canara Bank received first prize for “Rajbhasha Kirti Award 2020-21” in September 2021 for in-house Magazine “Canara Jyothi”.

### **Awards/Accolades Received during 2020-21:**

- In IBA's 16th Annual Banking Technology Awards, Canara Bank received Joint Runner-up award for Best Payment Initiatives.
- Canara Bank was second runner up in the Institutionalizing Prudent Banking theme under Ease 3.0 as of Mar'21
- The Association of Business Communicators of India has given bronze award for our in-house Magazine Shreyas under Magazine Design.
- Public Relations Council of India has given bronze award for our in-house Magazine Shreyas under House Journal – Print (English) category
- In 59th ABCI Annual Awards, Canara Bank's in-house Magazine "Canara Jyothi" has received awards under "Indian Language Publication" and "special column (language)" categories.
- Canara Bank has received "Exemplary Award" from PFRDA for achievement under Atal Pension Yojana "Old Age Financial Freedom Fighters".
- Canara Bank has received "Certificate of Excellence – Amazing Achievers of APY" from PFRDA.

### **Awards/Accolades Received during 2019-20:**

- Canara Bank has been awarded 'India's Most Trusted Public Sector Banking Services Company 2019' by International Brand Consulting Corporation, USA.
- Canara Bank has been awarded 'SIDBI-ET INDIA MSE AWARD-2019' under noteworthy Lender to MSE Category – (Public Sector Bank).
- Canara Bank received National award for SHG Bank Linkage 2018-19 (Public Sector Banks) from DAY-NRLM, Ministry of Rural Development.
- Canara Bank won Tax Deductor of the Year Award for recognition of timely compliance to the TDS/TCS provisions of Income Tax Act.
- Skoch Order of Merit Award 2019 for Canara DiYA, Canara Recovery App, Canara Digital Learning & Social Media Analytics and Campaign management.
- Best innovation in banking technology award for CANDI Branch received in IDRBT banking technology innovation contest.
- Canara DiYA won Silver in SKOCH Awards 2019
- Canara Bank received the award for Best Data Quality Management 2018-19 at the Annual Credit Information Conference.

### **Awards/Accolades Received during 2018-19**

- Central Vigilance Commission has awarded Canara Bank with ‘Vigilance Excellence Award-Outstanding’ under Category ‘Timely Completion of Disciplinary Proceedings’ for the year 2018.
- Bank received first runner up award on theme Credit off-take in EASE Banking Reform Awards 2019.
- Bank has bagged four awards from the Associated Chambers of Commerce and Industry of India (ASSOCHAM) under Agriculture, Priority sector lending, Social Banking and Technology.
- NPCI Special Award in recognition of excellent performance in NFS ATM Network, Rupay, CTS & UPI / IMPS.
- Bank’s House magazine ‘Shreyas’ bagged Making of Developed India Award sponsored by ET Now for best in-house magazine for the year 2018.
- Secured PFRDA’s best performing PSB award in APY performance and the splendid seven awards for the APY campaign.

### **2.4 FUTURE GROWTH AND PROSPECTS**

- Consolidating position as a Premier Public Sector Bank with Increased Global Outreach.
- To achieve global business of Rs.25 lakh crore in the future.
- The Bank expects improved CASA and CASA ratio in FY 2022-23 by increasing customer network.
- Bank’s endeavour will be to keep reinventing itself by building on its strengths as per emerging industry landscape and changing customer needs.
- Canara Bank aims to improve its bottom line further with balanced focus on advances to retail, big and small businesses, coupled with greater focus on digitalization.

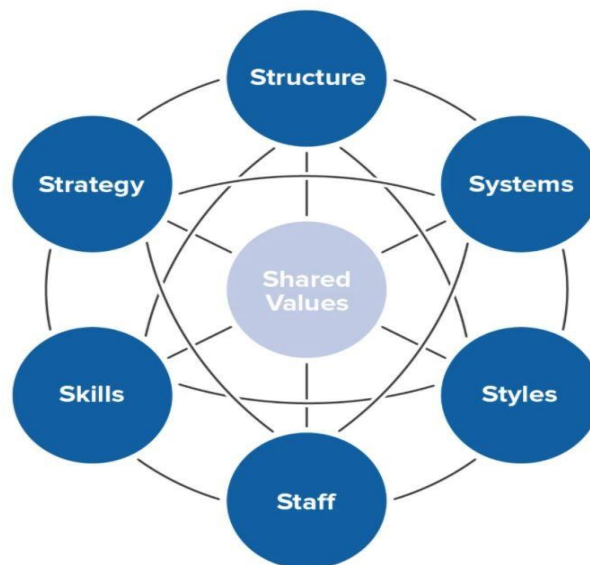
## **CHAPTER – 3**

### **MCKENSY'S 7S FRAMEWORK AND PORTER'S FIVE FORCE MODEL**

### 3.1 MCKENSY'S 7S FRAMEWORK:

The Mckensy's 7S model is a strategic tool and framework that helps managers and businesses assess their performance. The Mckensy 7s model identifies 7 key elements for an organization that need to be focused and aligned for successful change management processes as well as for regular performance enhancements.

**MCKENSY'S 7S FRAMEWORK**



The 7 elements identified in the Mckensy 7s model can be categorized as being hard or soft in nature. They are identified as:

- Hard Elements: Strategy, Structure, Systems.
- Soft Elements: Shared Values, Skills, Style, Staff.

Canara Bank Turnaround Makes use of the Mckensy 7s model to regularly enhance its performance, and implement successful change management processes. Canara Bank Turnaround focuses on the 7 elements identified in the model to ensure that its performance levels are consistently maintained, and improved for the offerings.

#### 1. Hard Element:

The hard elements of the Mckensy 7s model comprise of strategy, structure, and systems. The hard elements of the model are easier to identify, more tangible in nature, and directly controlled and influenced by the leadership and management of the organisation.

### **a) Strategy:**

In simple strategy is to plan for the future with set goals and objectives it is about planning and setting corporate goals and then defining the steps needed to achieve those goals.

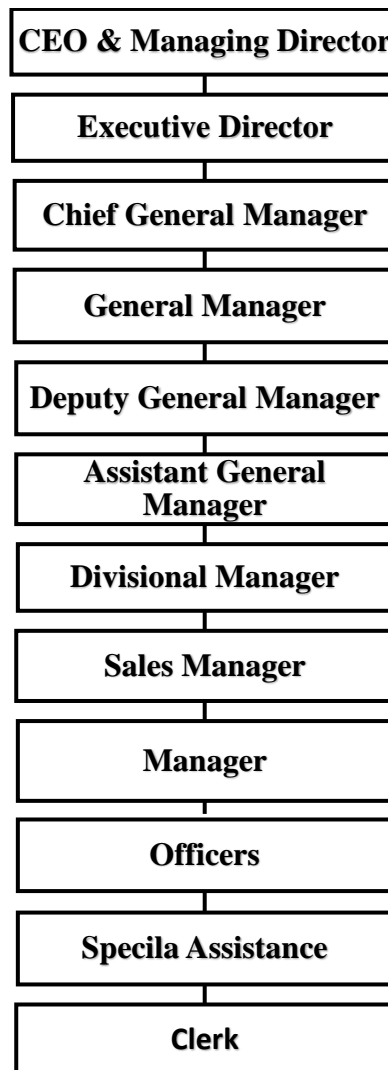
### **KEY STRATEGIC INITIATIVES BY THE BANK:**

- Bank has further strengthened the various initiatives undertaken for operational efficiency like centralizing and digitalizing the business process activities such as account opening through Central Processing Hubs, KYC updation through CKYC app, forex transactions through CPCFT, Recovery Call Centre (RECC), analytics based Retail credit offers, tie-up arrangements with Fin-Tech & E-Commerce for lead generation and Document Management System to automate processes and promote paper-light banking.
- In FY 2021-22, the Bank has opened 158 new Banking outlets, out of which 16 are General branches, 27 are Retail Assets Hubs, 81 are MSME Sulabhs, 5 are Asset Recovery Management (ARM) branches, 14 are Agricultural Credit Centers and 15 are Large Corporate Branches.
- To boost customer convenience, Bank has introduced 'VCIP - Video Based Customer Identification Process' for submission of Life Certificate by pensioners.
- Bank has developed an in-house package for the online grievance redressal system namely CPGRS (Canara Public Grievance Redressal System). This package enables the customers to register their complaints online through our website.
- In a bid towards obviating occurrence of any suspicious / fraudulent transaction, Bank has introduced Rule based EFRM (Enterprise Fraud Risk Management) solution wherein on the basis of alerts generated, calls are made to customers to ensure the genuineness of customer transaction.

### **b) Structure:**

The structure consists of the organization chart and associated information that shows who reports to whom and how tasks are divided up and integrated. The design of organisation structure is a downward communication of information in the bank. The information is flows from top to down i.e., from top level management to the lower-level management. The Managing Director and CEO have the sole authority in the organization. They give instruction

to the executive director and general managers who turn into give the instructions to the lower-level managers. Organization structure of Canara bank is:



### c) System:

System consists of Formal and informal procedures that govern everyday activity, covering everything from management information system to the systems at the point of contact with the customer. The systems and procedures are well defined and are available with all the hierarchy as no need to know the basis. The Canara bank developed best practice codes and best behavioural practice are the guiding factors of the systems prevailing. Canara Bank has been a pioneer in evolving several systems. Each of the system devised by the bank has its own characteristics and is the product of research and experience. The various systems introduced by the bank over the years were published in the form of a book entitled “All

about HRD systems” in the year 1992. The same is reviewed and revised and the updated version is “Our HRD systems”.

The well-structured process manuals are available for all the functional areas, to be business or administration or inspection and audit.

## **2. SOFT ELEMENTS**

The soft elements of the Mckensy 7s model include shared values, staff, skills, and strategy. These elements are less tangible in nature and are more influenced by the organisational culture. As such, the management does not have a direct influence or control over them. These elements also harder to describe and directly identify – but are equally important for an organisation’s success and improved performance.

### **a) Shared Values:**

Shared values refer to the underling attitude of the company, a combination of core values and core purpose. Core values are the guiding principles and doctrines that do not require external justification that the company retains even if business circumstances change. It’s rich tradition and culture and strong value base has made the bank unique and distinct. The shared values which unite the employee of Canara bank and channelized their thinking in a common direction are:

- Family culture
- Focus and belief in people
- Customer orientation
- Community perception
- Spirit of accepting challenges
- MOTTO “serving to grow and growing to serve”
- Excellence in service
- Acceptability to everyone

### **Canara bank values:**

- Service and dedication
- Human being and sensitivity
- Remove superstition and ignorance



## **b) Skills:**

Skills are the dominating capabilities or attributes that distinguish a firm from its competitors. Canara Bank has very good training programmes, which impart various necessary skills set to its employees which is an important criterion for success. It is one of the premier banks in the country due to its strong fundamentals and quality customer orientation. Usually, organization performs internal analysing to identify strength and weakness to overcome as they formulate for competitive advantage.

### **Skills for a Manager:**

- Knowledge of banking products, market and relevant regulations.
- Sales and negotiation skills
- Strong communication and presentation skills
- Ability to work under a pressure

### **Skills for a Banking officers:**

Communication, understanding of different bank products and services, foreign exchange, digital banking, transaction management, leadership and time management skills.

### **Skills for a Bank Clerk:**

Communication skill, honesty, computer skills, numerical ability.

## **c) Style:**

The leadership style of management and the overall operating cycle of the organization style impacts the norms people follow and how they interact with each other and with the customers. It refers to pattern of action among the employees of the organization. The organisation structure consists of the organization chart and associated information that shows who reports to whom and whom tasks are divided up and integrated. The employees are well delegated with power and authority, so that they can discharge their utmost interest for the organization. They have periodical meetings reviews i.e., in monthly, weekly intervals. In Canara Bank it has been mostly the Authorities style of management but from a few years, a participative environment is seen. There is an Employee Suggestion Scheme (ESS), which aims at kindling innovative spirit of the employees and recognizing their valuable contributions by way of feasible suggestions.

#### **d) Staff:**

The organization build up with the people, who are termed as staff and they are one who define the organization and build its scope and prospects. Canara Bank turnaround has employed a large number of employees. Canara Bank's committed and efficient workforce includes technical people, specialist officers, Chartered Accountants, financial analyst, economist, official language officers, marketing managers, HR managers etc. The total number of staff in Canara Bank are 86,919 (as per March 2022).

### **3.2 PORTER'S FIVE FORCE MODEL**

Porter's five forces is a model that identifies analyses five competitive forces that shape every industry and helps determine an industry's weaknesses and strengths. Five forces analysis is frequently used to identify an industry's structure to determine corporate strategy. Porter's model can be applied to any segment of the economy to understand the level of competition within the industry and enhance a company's long-term profitability. The five forces model is named after Harvard Business School professor, Michael E. Porter.

Porter's Five Forces is a Business Analysis model that helps to explain why various industries are able to sustain different levels of profitability. The model was published in Michael E. Porter's book, "Competitive Strategy: Techniques for Analysing Industries and Competitors" in 1980. The five forces model is widely used to analyse the industry structure of a company as well as its corporate strategy. Porter identified five undeniable forces that play a part in shaping every market and industry in the world, with some caveats. The five forces are frequently used to measure competition intensity, attractiveness, and profitability of an industry or market.

#### **Porter's Five Force Model:**

1. Threat Of New Entrants
2. Bargaining Power of Suppliers
3. Bargaining Power of Buyers
4. Threat Of Substitute Products or Services
5. Rivalry Among Existing Firms

## **Canara Bank Porter's Five Force Model:**

Application of this model can help Canara Bank turnaround to determine the industry attractiveness and understand its competitive positioning in the market. The analysis can also be used to make some strategically wise decisions that could improve the performance of Canara Bank turnaround and ensure long-term survival.

### **1. Threat Of New Entrants**

Threat of new entrants reflects how new market players impose threat to the existing market players. If the industry will be profitable and barriers to enter the industry will be low, it will attract more players and hence, the threat of new entrants will be high. Canara bank facing low threat from new entrants because it was a third largest public sector bank in India and it also provides better services to its customers. But also facing some threat from new entrants.

- Existing regulations support the entry of new players.
- Consumers can easily switch the brands due to weak / no brand loyalty.
- Building a distribution network is easy for new players

#### **How Canara Bank can tackle the threat of new entrants:**

- Canara Bank can develop brand loyalty by working on customer relationship management. It will raise psychological switching costs.
- It can develop long-term contractual relationship with distributors to widen access to the target market.
- Canara Bank also in research and development activities, get valuable customer data and introduce innovative products / services to set strong differentiation basis.

### **2. Threat Of Substitute Products or Services**

The availability of substitute products or services makes the competitive environment challenging for Canara Bank and other existing players. High substitute threat shows that customer can use alternative product/services from other industries to meet their needs. Canara Bank facing threat of substitute products because, private sector banks also providing same services which Canara Bank provide to their customer.

**The threat of substitute products or services increases when,**

- A cheaper substitute product/service is available from other industry.
- The psychological switching costs of moving from industry to substitute products low.
- Substitute product offers the same or even superior quality and performance of offered Canara bank turnaround's product.

**How Canara Bank can tackle the Threat of substitute product or services:**

- Canara Bank Turnaround can reduce the Threat of Substitute Products or services by clearly emphasising how its offered product/service is better than the available substitutes.
- It should provide convincing reasons to the customers by offering a better experience and high value for money.
- It can raise switching costs by working on loyalty.
- Lastly, it can improve the quality, maximise value for money and set strong differentiation basis to discourage customers from using the substitute product.

**3. Bargaining Power of Buyers**

Bargaining power of buyers is more, because number of competitors for Canara Bank are more. Bargaining power of buyers indicates the pressure that customers exert on the business organisations to get high quality products at affordable prices with excellent customer service. This force directly influences the Canara Bank Turnaround's ability to accomplish the business objectives.

- A more concentrated customer base increases their bargaining power against Canara Bank Turnaround
- Canara Bank has a greater number of competitors like SBI, PNB Bank, Union Bank, Bank of Baroda, ICICI, HDFC bank etc.
- Switching cos is high

**How Canara Bank can tackle the bargaining power of buyers**

Canara Bank turnaround can manage the bargaining power of buyers by increasing and diversifying their customer base. It can be done by introducing new products, targeting new market segments and adopting the product diversification strategies. Marketing and promotional strategies can also be helpful in this regard. Building loyalty by embedding

innovation and offering excellence customer experience can raise the switching costs, which will ultimately reduce their bargaining power. Canara Bank can adopt these strategies to strengthen its competitive positioning in the market.

#### **4. Bargaining Power of Suppliers**

Bargaining power of suppliers in the Porter 5 force model reflects the pressure exerted by suppliers on business organisations by adopting different tactics like reducing the product availability, reducing the quality or increasing the prices. When suppliers have strong bargaining power, it costs the buyers- (business organisations). Moreover, high supplier bargaining power can increase the competition in the industry and lower the profit and growth potential for Canara Bank Turnaround Similarly, weak supplier power can make the industry more attractive due to high profitability and growth potential.

There are no any suppliers to the Canara Bank. Debit slip, credit slip, application forms of loan or account opening, cash or any stationary items are supplied by the head office or regional office only to different branches.

#### **5. Rivalry Among Existing Firms**

The Rivalry among existing firms shows the number of competitors that give tough competition to the Canara Bank Turnaround High rivalry shows Canara Bank Turnaround can face strong pressure from the rival firms, which can limit each other's growth potential. Profitability in such industries is low as firms adopt aggressive targeting and pricing strategies against each other.

##### **Competitors of Canara Bank:**

- State Bank of India
- Bank of Baroda
- Panjab National Bank
- Union Bank
- Bank of Maharashtra
- ICICI Bank
- HDFC Bank

**The Rivalry among existing firms will be low for Canara Bank when;**

- The industry is growing at a fast rate
- There is a clear market leader
- The products are highly differentiated, and each market player targets different sub-segments
- The economic/psychological switching costs for consumers are high.

**How Canara Bank can tackle the Rivalry among existing firms**

Canara Bank Turnaround should focus on the implicit needs and expectations of its customers to strengthen the differentiation basis. It should raise switching costs by developing long-term customer relationships. The organisation should also invest in research and development activities to identify new customer segments. In some cases, collaborating with competitors can be mutually beneficial. The organisation can look for this option as well.

## **CHAPTER – 4**

### **SWOT ANALYSIS**

## SWOT ANALYSIS:

Canara Bank is one of India's most well-known trustworthy financial institutions. It is one of the largest banking organizations owned by the Government of India (GOI) in the country. The bank was founded in 1906, making it India's oldest banks with over a century of operation. To better understand the reasons for its continuous growth, we should understand the SWOT Analysis of Canara Bank, which is requisite for any business to survive and thrive in the market.

## SWOT ANALYSIS:



## SWOT ANALYSIS OF CANARA BANK:

SWOT Analysis is a proven management framework that allows brands like Canara Bank to evaluate their performance that of their competitors and the industry as a whole. Canara Bank's SWOT analysis enables it to set a brand benchmark that is leading in the banking sector. It is an excellent tool for determining where the firm thrives and where it falters, designing counter measures, and determining how the organization can expand. So, let's look at Canara Bank's SWOT Analysis.



## **1. Canara Bank Strengths**

The strength of Canara Bank looks at the key aspects of its business which gives it competitive advantage in the market. Some important factors in a brand's strength include its financial position, experienced workforce, product uniqueness and intangible assets like brand value. Below are the Strengths in the SWOT analysis of Canara Bank:

1. Innovative schemes
2. Technologically advance
3. Articulation of good Banking
4. Canara Bank has employed over 86,919 people
5. Canara Bank made a partnership with UNEP to initiative a successful solar loan programme.
6. Rural Network
7. Strong founding principle and implementation of good work culture

## **2. Canara Bank Weaknesses**

The weakness of a brand are certain aspects of its business which are it can improve to increase its position further. Certain weakness can be defined as attributes which the company is lacking or in which the competitors are better. Here the weaknesses in the Canara Bank SWOT Analysis:

1. Inadequate publicity
2. Low international presence
3. Less CASA percentage compare to other bank
4. Time lag in performance of service

### **3. Canara Bank Opportunities**

The opportunities for any brand can include areas of improvement to increase its business. A brand's opportunities can lie in geographic expansion, product improvements, better communication etc. Following are the opportunities in Canara Bank SWOT Analysis:

1. Rural and social Banking
2. Agriculture based consultancy
3. Recruitment, promotion and growth
4. To attract the customers with good loan offers at very impressive rates against the competitors
5. To provide the extra privileges to the existing customers to fight customer retention
6. To be aware of the changes in the market and make space for instantaneous changes

### **4. Canara Bank Threats**

The threats of any business can be factors which can negatively impact its business. Some factors like increased competitor activity, changing government policies, alternative products or services etc. the threats in the SWOT Analysis of Canara Bank are mentioned:

1. Economic crisis
2. Highly competitive environment
3. Changing Govt. and RBI policies

**CHAPTER – 5**

**ANALYSIS OF FINANCIAL STATEMENT**

## 5.1 PROFIT AND LOSS ACCOUNT

The Profit and Loss Statement is a financial statement that summarizes the revenues, costs and expenses incurred during a specified period, usually a fiscal quarter or year. The P&L statement is synonymous with the income statement. These records provide information about a company's ability or inability to generate profit by increasing revenue, reducing costs or both.

**TABLE 5.1: PROFIT AND LOSS ACCOUNT (in Rs. Cr)**

<b>PARTICULARS</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b><u>INCOME</u></b>					
Interest Earned	70613.79	70253.27	49758.75	47951.10	41345.32
Other Income	23643.09	23086.17	11799.40	9907.16	7398.00
<b>Total</b>	<b>94256.88</b>	<b>93339.44</b>	<b>61558.15</b>	<b>57858.26</b>	<b>48743.32</b>
<b><u>EXPENDITURE</u></b>					
Interest expended	43035.47	45182.50	35817.19	32338.69	29112.90
Operating Expenses	27923.70	28284.90	16066.96	14565.88	9837.81
Provisions and Contingencies	17502.61	17170.06	11696.51	10406.53	13879.93
<b>Total</b>	<b>88461.78</b>	<b>90637.46</b>	<b>63580.66</b>	<b>57311.10</b>	<b>52830.64</b>
Share of earnings in associates	363.32	254.58	101.49	148.90	214.78
<b>Consolidated Net Profit for the year before deducting Minorities' Interest</b>	<b>6158.42</b>	<b>2956.56</b>	<b>(1921.00)</b>	<b>696.05</b>	<b>(3872.54)</b>
Less: Minority Interest (Net Loss)	33.60	65.96	65.42	94.20	78.85
<b>Consolidated Profit for the year</b>	<b>6124.82</b>	<b>2890.60</b>	<b>(1986.43)</b>	<b>601.85</b>	<b>(3951.39)</b>
<b><u>APPROPRIATIONS</u></b>					

Transfers to					
Statutory Reserves	1419.60	639.39	-	86.76	-
Capital Reserves	540.96	1162.70	-	233.00	-
Investment Reserve	118.78	755.48	-	-	-
Investment					
Fluctuation Reserve	-	-	-	27.26	-
Special Reserve	-	-	-	-	-
Interim Dividend	-	-	-	-	-
Revenue Reserve	-	-	-	-	-
Proposed Dividend	1179.18	-	-	-	-
Balance Carried Over	2866.28	333.02	(1986.43)	254.83	(3951.39)
<b>Total</b>	<b>6124.82</b>	<b>2890.60</b>	<b>(1986.43)</b>	<b>601.85</b>	<b>(3951.39)</b>
Earnings Per Share	35.04	19.11	(23.55)	8.18	(65.95)

## 5.2 CASHFLOW STATEMENT

A financial statement that aggregates company's cash inflow and outflow from operations, investing and financing over a set period of time.

**TABLE 5.2: CASH FLOW STATEMENT (in Rs. Cr)**

<b>Particulars</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Net Profit After Tax</b>	6124.83	2890.60	(1986.43)	601.85	(3951.39)
<b>Net Cash flow from Operating activities(A)</b>	918.99	59117.66	(5288.43)	18236.72	(11120.19)
<b>Net Cashflow from Investing activities (B)</b>	(1255.88)	(1029.14)	(411.53)	(730.40)	(552.94)
<b>Net Cash Flow from Financing Activities(C)</b>	4035.45	290.08	7792.27	(1184.59)	2864.87
<b>Less: Cash Flow on Account of Exchange Fluctuation</b>	(173.50)	(87.33)	(33.73)	(15.09)	65.48
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>3525.06</b>	<b>58291.27</b>	<b>2058.58</b>	<b>16306.64</b>	<b>(8742.78)</b>
<b>Opening cash and cash equivalents</b>	<b>178866.37</b>	<b>120575.10</b>	<b>66531.24</b>	<b>50224.60</b>	<b>58967.38</b>
<b>Closing cash and cash equivalents</b>	<b>182391.43</b>	<b>178866.37</b>	<b>68589.82</b>	<b>66531.24</b>	<b>50224.60</b>

### 5.3 BALANCE SHEET

A balance sheet is a financial statement that reports a company's assets, liabilities and shareholders' equity at a specific point in time and provides a basis for computing rates of return and evaluating its capital structure. It is a financial statement that snapshot of what company owns and owes, as well as the amount invested by shareholders.

**TABLE 5.1: BALANCE SHEET OF CANARA BANK (in Rs. Cr)**

<b>PARTICULARS</b>	<b>MAR 2022</b>	<b>MAR 2021</b>	<b>MAR 2020</b>	<b>MAR 2019</b>	<b>MAR 2018</b>
<b><u>CAPITAL AND LIABILITIES</u></b>					
Capital	1814.13	1646.74	1030.23	753.24	733.24
Reserves and Surplus	68147.19	60762.85	40175.72	36935.99	36164.45
Minority Interest	824.69	793.37	730.10	667.87	521.80
Deposits	1086340.95	1010985.02	625408.32	599123.02	524846.98
Borrowings	46284.96	50012.80	42761.77	41042.64	38909.49
Other liabilities and provisions	54251.61	55338.81	31334.13	33260.04	30259.50
<b>TOTAL</b>	<b>1257663.54</b>	<b>1179539.59</b>	<b>741440.27</b>	<b>711782.80</b>	<b>631435.46</b>
<b><u>ASSETS</u></b>					
Cash & Balances with Reserve Bank of India	51637.07	43115.94	22572.96	29921.43	22102.42
Balances with Banks and money at call and short notice	130754.35	135750.43	46016.86	36609.80	28122.18
Investments	311347.23	286191.25	192645.37	168678.05	157443.56
Advances	703864.05	639286.54	432403.38	428114.77	382074.58
Fixed Assets	11449.70	11271.17	8323.35	8432.78	8335.30
Other Assets	48611.12	63924.26	39478.34	40025.97	33357.42
<b>TOTAL</b>	<b>1257663.53</b>	<b>1179539.59</b>	<b>741440.27</b>	<b>711782.80</b>	<b>631435.46</b>

## RATIO ANALYSIS

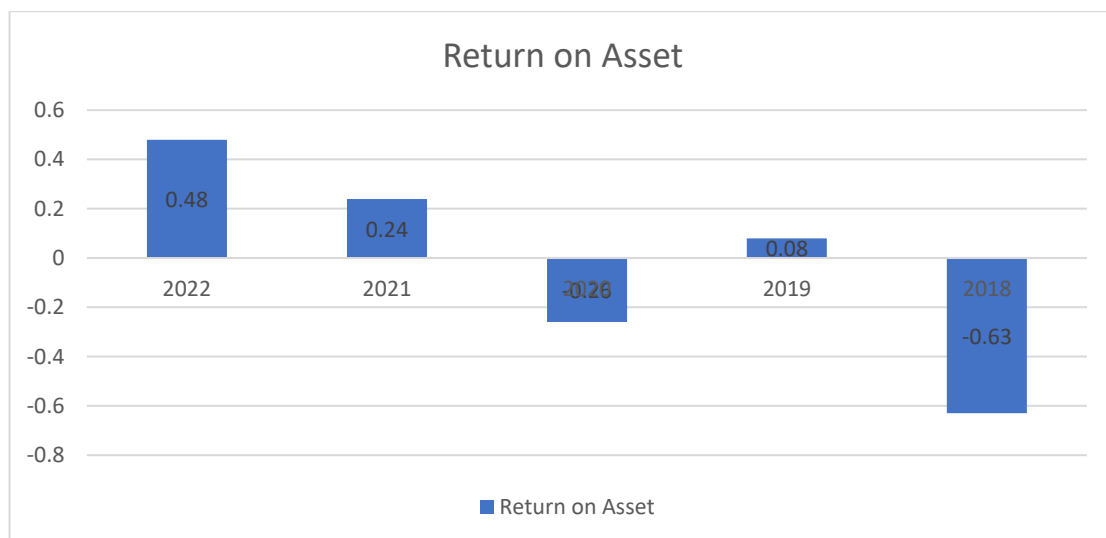
The analysis/examination of financial statements with the help of Ratio's is called as Ratio Analysis. This analysis tool is widely used tool for financial analysis of the data. This analysis provides overall information about financial stability of the company.

- **RETURN ON ASSETS**

The return on total assets ratio is obtained by dividing a company's earnings after tax by its total assets. This profitability indicator helps you determine how your company generates its earnings and how you compare to your competitors.

**Return on Assets (%) = Net Profit /Total Asset \*100**

Year	Return on Assets (%)
2022	0.48
2021	0.24
2020	(0.26)
2019	0.08
2018	(0.63)



### Interpretation:

Return on Asset ratio shows how effective the company is in utilizing its resources. ROE ratio is increasing over last two years from 0.24 to 0.48 and it is negative in 2020 and 2018.

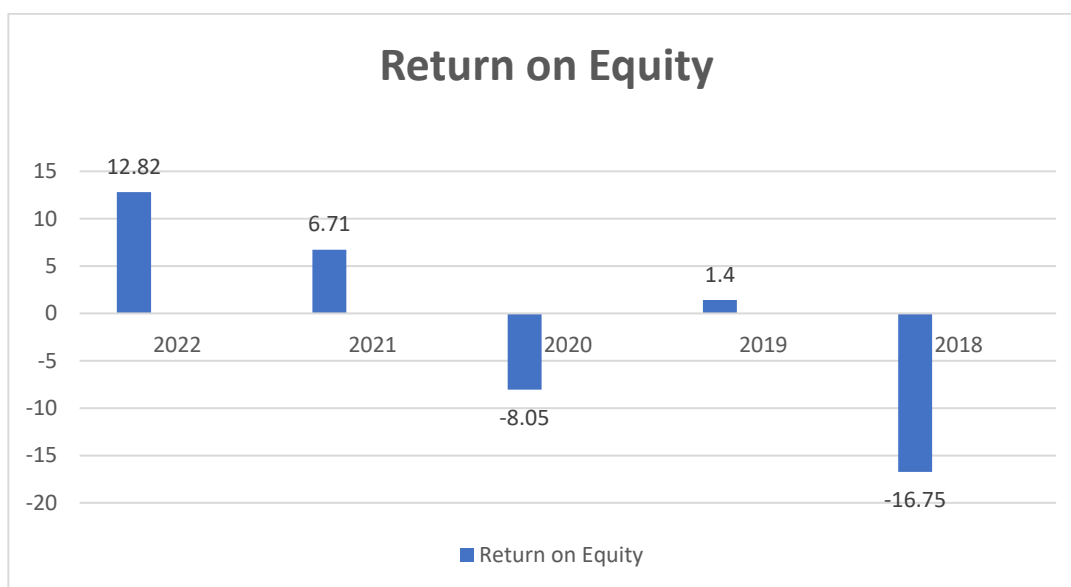


- **RETURN ON EQUITY**

Return on equity (ROE) is a financial ratio that shows how well a company is managing the capital that shareholders have invested in it. To calculate ROE, one would divide net income by shareholder equity.

$$\text{Return on Equity (\%)} = \text{Net Income} / \text{Shareholder's Equity} * 100$$

Year	Return on Equity (%)
2022	12.82
2021	6.71
2020	(8.05)
2019	1.40
2018	(16.75)



**Interpretation:**

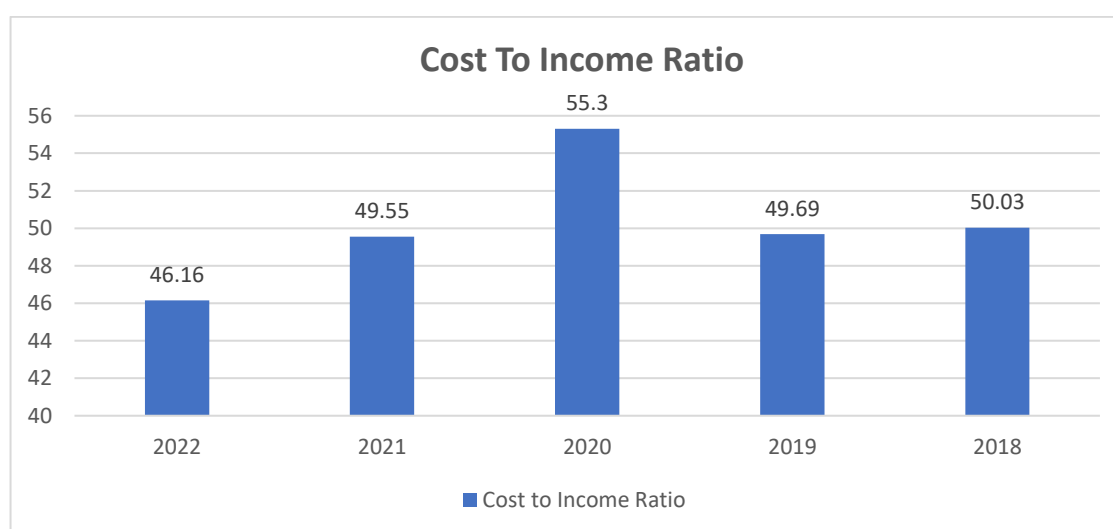
ROE increases in the year 2022 and 2021 which means company is better at converting its equity financing into profits. In the year 2020 and 2018 the ROE is negative i.e., (8.08) and (16.75), this implies shareholders are losing on their investment in the company.

- **COST TO INCOME RATIO**

Cost to Income ratio measures the operating costs relative to a company's operating income. This ratio helps evaluate the profitability of financial institutions. Similarly, it allows users to assess the efficiency of operations of the underlying investment.

**Cost To Income Ratio = Operating Cost / Operating Income**

Year	Cost To Income Ratio
2022	46.16
2021	49.55
2020	55.30
2019	49.69
2018	50.03



**Interpretation:**

Cost income ratio compares the income and operating expenses of a company. Cost of Income Ratio decreases from 2020 to 2022 from 55.3 to 46.16, which is a good sign for a bank. Usually, a lower ratio means a company has lower costs than income. In the year 2020 Cost to income ratio is high i.e., 55.3.

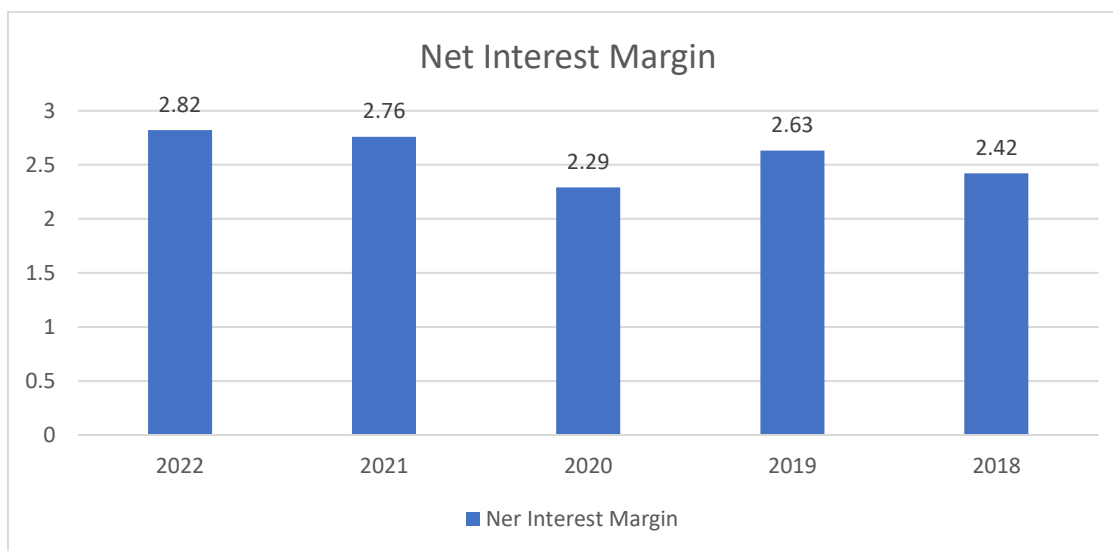
- **NET INTEREST MARGIN**

Net interest margin is a measure of the net return on the bank's earning assets, which include investment securities, loans, and leases. It is the ratio of interest income minus interest expense divided by earning assets.

**Net Interest Margin = (Investment Income – Interest Expenses) / Average Earning**

**Assets**

Year	Net Interest Margin
2022	2.82
2021	2.76
2020	2.29
2019	2.63
2018	2.42



**Interpretation:**

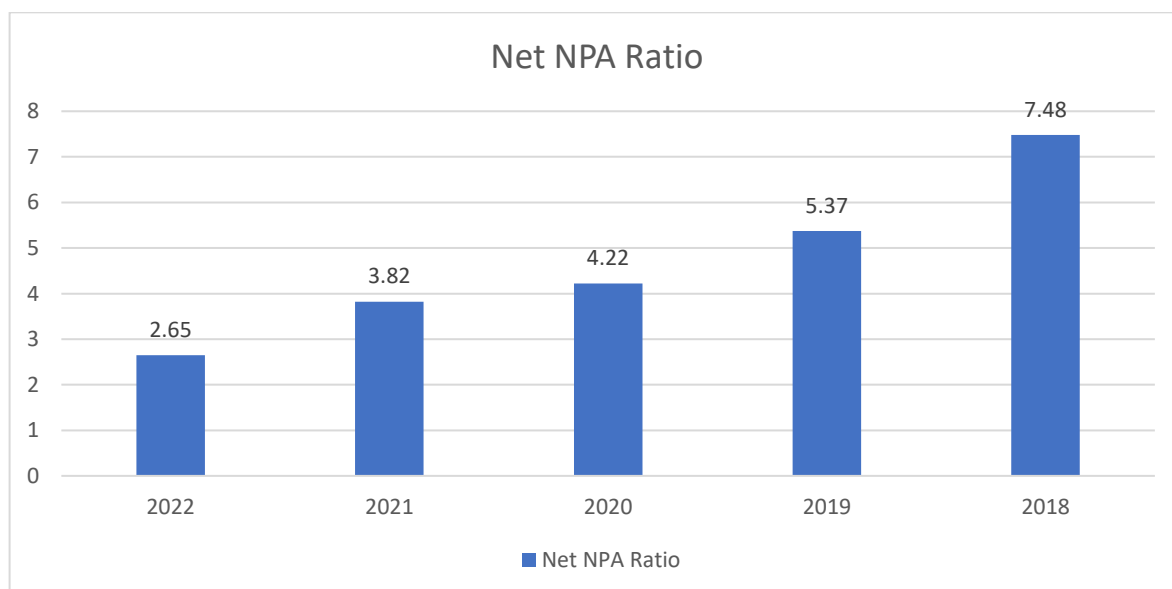
There is a slight fluctuation in the Net Interest Margin Ratio in the past 5 years which indicates banks profitability and growth.

- **NET NPA RATIO**

Net NPA ratio uses net NPA to find out the ratio to the total advances. Net NPA shows the amount remaining after deducting the doubtful and unpaid debts from the Gross NPA.

**Net NPA Ratio = Net NPA / Total Loan Given**

Year	Net NPA Ratio
2022	2.65
2021	3.82
2020	4.22
2019	5.37
2018	7.48



**Interpretation:**

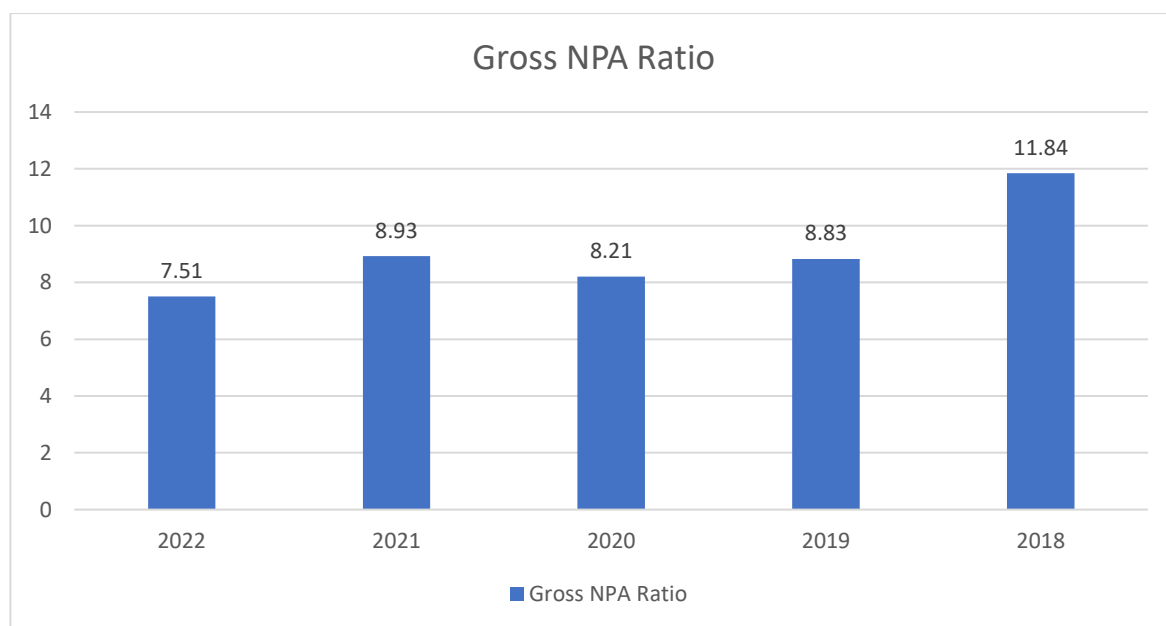
Net NPA Ratio is decreasing over the last 5 years in 2018 Net NPA Ratio is 7.48 and it reaches to 2.65 in 2022. It is good sign for a bank, lower Net NPA ratio create good image among the public.

- **GROSS NPA RATIO**

Gross NPA ratio is the ratio of the total Gross NPA of the total advances. Gross NPA shows the total of all loan assets that haven't been repaid by the borrowers within the 90-day period.

**Gross NPA Ratio = Total Gross NPA / Total Loan Given**

Year	Gross NPA Ratio
2022	7.51
2021	8.93
2020	8.21
2019	8.83
2018	11.84



**Interpretation:**

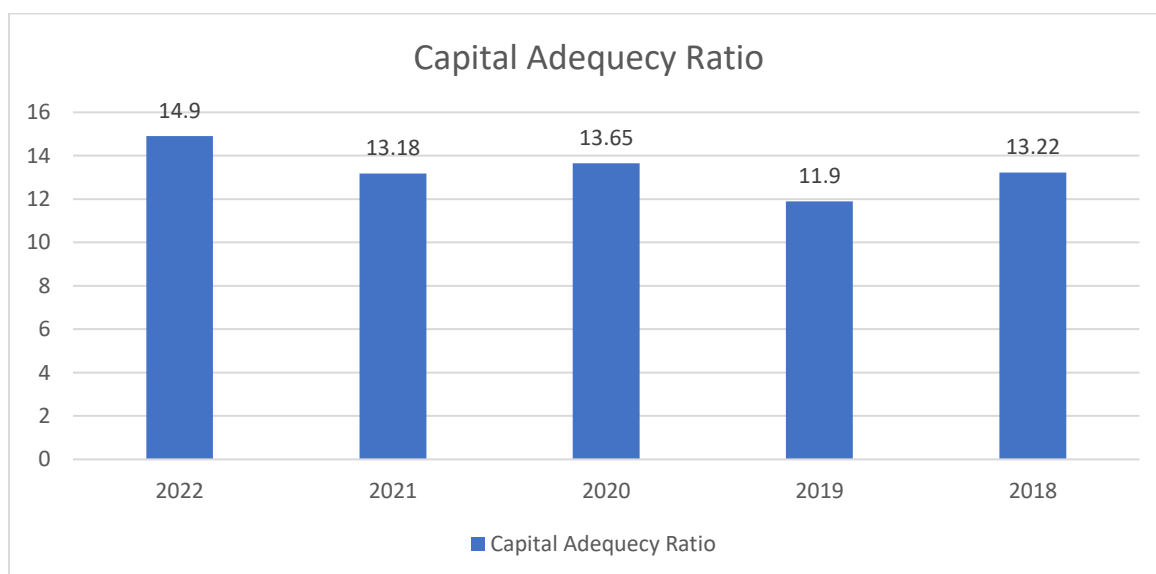
Gross NPA ratio was 11.84 in 2018 and it decreased in 2019 and 2020 and it is slightly increased at 8.93 in 2021, again it come down to 7.51 in the year 2022.

- **CAPITAL ADEQUACY RATIO**

Capital Adequacy Ratio (CAR) is the ratio of a bank's capital in relation to its risk weighted assets and current liabilities. It is decided by central banks and bank regulators to prevent commercial banks from taking excess leverage and becoming insolvent in the process.

**Capital Adequacy Ratio = Capital / Risk Weighted Assets**

Year	Capital Adequacy Ratio
2022	14.90
2021	13.18
2020	13.65
2019	11.90
2018	13.22



**Interpretation:**

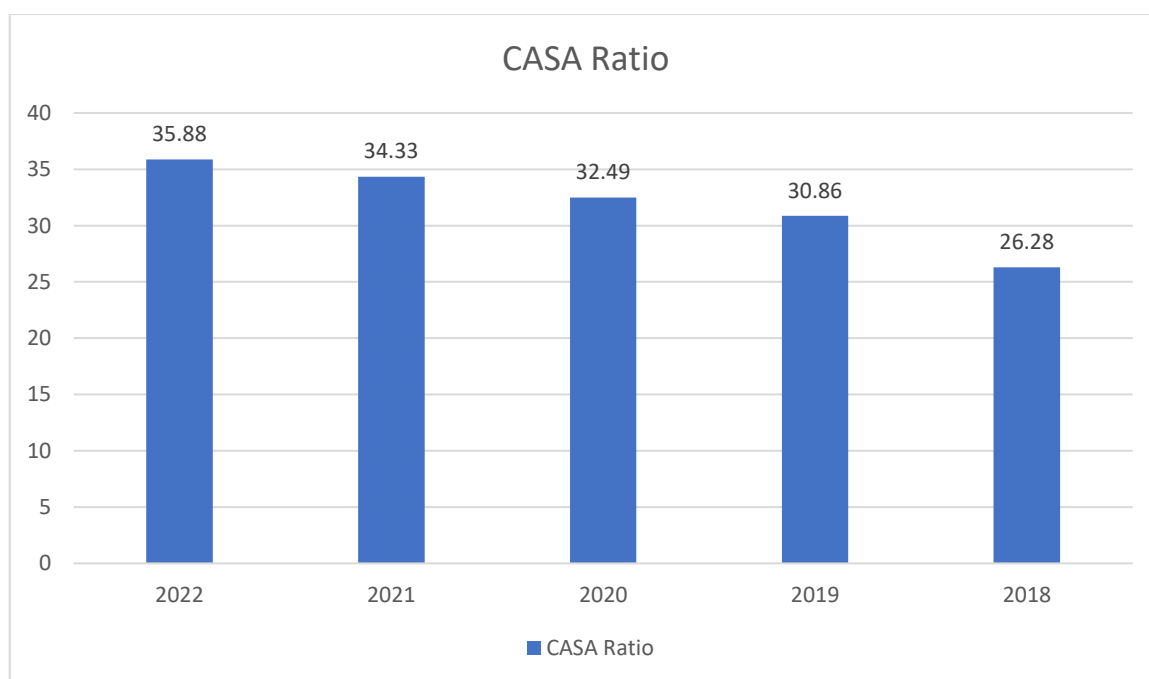
As per the RBI norms Capital Adequacy Ratio should be above 9% and Canara Bank satisfies this criterion. Canara bank is considered to be safe and likely to meet its financial obligations.

- **CASA RATIO**

CASA Ratio stands for current and saving account ratio. CASA Ratio of a bank is the ratio of deposits in current and saving accounts to total deposits.

$$\text{CASA Deposits} = \text{CASA Deposits} / \text{Total Deposits} * 100$$

Year	CASA Ratio (%)
2022	35.88
2021	34.33
2020	32.49
2019	30.86
2018	26.28



**Interpretation:**

CASA Ratio of Canara Bank is increases over the year from 2018 to 2022 i.e., from 26.28% to 35.88%. A higher CASA ratio indicates a lower cost of funds, because banks do not usually give any interests on current account deposits and the interest on saving accounts is usually very low 3% - 4%.

## **CHAPTER – 6**

### **LEARNING EXPERIENCE**



## **LEARNING EXPERIENCE:**

Canara Bank is one of the largest public sector banks in India and I feel great to be able to choose this bank for my internship and be able to know and understand the history, nature of business, products/services, ownership pattern, achievements and awards etc.

It was a great opportunity to be able to work on this internship report because of my own interest I was able to know things and understand in a clear manner. It would have been much better and great for us to work with real organization because that would give us a better picture of how things work in an organization and gives very good practical knowledge for the students and helps the students to know the working of corporate world.

The internship period was for one month, during the course of my internship I got to interact with a lot of customers and also with staffs from managers to clerks. It was great experience to learn from all the people. My external guide was a dynamic and hardworking person. He was a great help to me. My learnings from him were commitment to your work, cooperation and punctuality.

## **BIBLIOGRAPHY:**

### **Websites:**

- <https://canarabank.com/>
- <https://online.canarabank.in/?module=login>
- <https://www.moneycontrol.com/financials/canarabank/balance-sheetVI/CB06>

### **Reports:**

- Annual Report of Canara Bank 2021-22
- Annual Report of Canara Bank 2020-21
- Annual Report of Canara Bank 2019-20
- Annual Report of Canara Bank 2018-19
- Annual Report of Canara Bank 2017-18

## ANNEXTURE:

### 1. PROFIT AND LOSS ACCOUNT

PARTICULARS	2022	2021	2020	2019	2018
<b><u>INCOME</u></b>					
Interest Earned	70613.79	70253.27	49758.75	47951.10	41345.32
Other Income	23643.09	23086.17	11799.40	9907.16	7398.00
<b>Total</b>	<b>94256.88</b>	<b>93339.44</b>	<b>61558.15</b>	<b>57858.26</b>	<b>48743.32</b>
<b><u>EXPENDITURE</u></b>					
Interest expended	43035.47	45182.50	35817.19	32338.69	29112.90
Operating Expenses	27923.70	28284.90	16066.96	14565.88	9837.81
Provisions and Contingencies	17502.61	17170.06	11696.51	10406.53	13879.93
<b>Total</b>	<b>88461.78</b>	<b>90637.46</b>	<b>63580.66</b>	<b>57311.10</b>	<b>52830.64</b>
Share of earnings in associates	363.32	254.58	101.49	148.90	214.78
<b>Consolidated Net Profit for the year before deducting Minorities' Interest</b>	<b>6158.42</b>	<b>2956.56</b>	<b>(1921.00)</b>	<b>696.05</b>	<b>(3872.54)</b>
Less: Minority Interest (Net Loss)	33.60	65.96	65.42	94.20	78.85
<b>Consolidated Profit for the year</b>	<b>6124.82</b>	<b>2890.60</b>	<b>(1986.43)</b>	<b>601.85</b>	<b>(3951.39)</b>
<b><u>APPROPRIATIONS</u></b>					
Transfers to					
Statutory Reserves	1419.60	639.39	-	86.76	-
Capital Reserves	540.96	1162.70	-	233.00	-
Investment Reserve	118.78	755.48	-	-	-
Investment Fluctuation Reserve	-	-	-	27.26	-
Special Reserve	-	-	-	-	-

Interim Dividend	-	-	-	-	-
Revenue Reserve	-	-	-	-	-
Proposed Dividend	1179.18	-	-	-	-
Balance Carried Over	2866.28	333.02	(1986.43)	254.83	(3951.39)
<b>Total</b>	<b>6124.82</b>	<b>2890.60</b>	<b>(1986.43)</b>	<b>601.85</b>	<b>(3951.39)</b>
Earnings Per Share	35.04	19.11	(23.55)	8.18	(65.95)

## 2.CASHFLOW STATEMENT

Particulars	2022	2021	2020	2019	2018
<b>Net Profit After Tax</b>	6124.83	2890.60	(1986.43)	601.85	(3951.39)
<b>Net Cash flow from Operating activities(A)</b>	918.99	59117.66	(5288.43)	18236.72	(11120.19)
<b>Net Cashflow from Investing activities (B)</b>	(1255.88)	(1029.14)	(411.53)	(730.40)	(552.94)
<b>Net Cash Flow from Financing Activities(C)</b>	4035.45	290.08	7792.27	(1184.59)	2864.87
<b>Less: Cash Flow on Account of Exchange Fluctuation</b>	(173.50)	(87.33)	(33.73)	(15.09)	65.48
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>3525.06</b>	<b>58291.27</b>	<b>2058.58</b>	<b>16306.64</b>	<b>(8742.78)</b>
<b>Opening cash and cash equivalents</b>	<b>178866.37</b>	<b>120575.10</b>	<b>66531.24</b>	<b>50224.60</b>	<b>58967.38</b>
<b>Closing cash and cash equivalents</b>	<b>182391.43</b>	<b>178866.37</b>	<b>68589.82</b>	<b>66531.24</b>	<b>50224.60</b>

#### 4. BALANCE SHEET

<b>PARTICULARS</b>	<b>MAR 2022</b>	<b>MAR 2021</b>	<b>MAR 2020</b>	<b>MAR 2019</b>	<b>MAR 2018</b>
<b><u>CAPITAL</u>                      <u>AND</u> <u>LIABILITIES</u></b>					
Capital	1814.13	1646.74	1030.23	753.24	733.24
Reserves and Surplus	68147.19	60762.85	40175.72	36935.99	36164.45
Minority Interest	824.69	793.37	730.10	667.87	521.80
Deposits	1086340.95	1010985.02	625408.32	599123.02	524846.98
Borrowings	46284.96	50012.80	42761.77	41042.64	38909.49
Other liabilities and provisions	54251.61	55338.81	31334.13	33260.04	30259.50
<b>TOTAL</b>	<b>1257663.54</b>	<b>1179539.59</b>	<b>741440.27</b>	<b>711782.80</b>	<b>631435.46</b>
<b><u>ASSETS</u></b>					
Cash & Balances with Reserve Bank of India	51637.07	43115.94	22572.96	29921.43	22102.42
Balances with Banks and money at call and short notice	130754.35	135750.43	46016.86	36609.80	28122.18
Investments	311347.23	286191.25	192645.37	168678.05	157443.56
Advances	703864.05	639286.54	432403.38	428114.77	382074.58
Fixed Assets	11449.70	11271.17	8323.35	8432.78	8335.30
Other Assets	48611.12	63924.26	39478.34	40025.97	33357.42
<b>TOTAL</b>	<b>1257663.53</b>	<b>1179539.59</b>	<b>741440.27</b>	<b>711782.80</b>	<b>631435.46</b>