

REVIEWED FINANCIAL RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2014

[₹ in Crore]

Sl. No.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		(REVIEWED)			(REVIEWED)		(AUDITED)
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
1	<b>INTEREST EARNED (a)+(b)+(c)+(d)</b>	<b>10893.87</b>	<b>10701.11</b>	<b>9654.48</b>	<b>21594.98</b>	<b>18924.06</b>	<b>39547.61</b>
	(a) Interest/discount on advances/bills	8004.71	7904.96	6964.34	15909.67	13414.18	28457.32
	(b) Income on Investments	2681.14	2625.01	2596.98	5306.15	5078.59	10251.08
	(c) Interest on balances with Reserve Bank of India & Other Inter-Bank Funds	208.02	171.14	93.04	379.16	431.08	730.82
	(d) Others	0.00	0.00	0.12	0.00	0.21	108.39
2	Other Income	1021.34	1026.90	773.00	2048.24	2011.30	3932.76
3	<b>TOTAL INCOME (1+2)</b>	<b>11915.21</b>	<b>11728.01</b>	<b>10427.48</b>	<b>23643.22</b>	<b>20935.36</b>	<b>43480.37</b>
4	Interest Expended	8526.08	8271.85	7463.32	16797.93	14741.80	30603.17
5	<b>Operating Expenses (i)+(ii)</b>	<b>1763.59</b>	<b>1661.16</b>	<b>1539.19</b>	<b>3424.75</b>	<b>2870.33</b>	<b>6081.01</b>
	(i) Employees Cost	1035.79	1038.10	932.62	2073.89	1819.70	3672.38
	(ii) Other Operating Expenses	727.80	623.06	606.57	1350.86	1050.63	2408.63
6	<b>TOTAL EXPENSES ((4+5) excluding Provisions &amp; Contingencies)</b>	<b>10289.67</b>	<b>9933.01</b>	<b>9002.51</b>	<b>20222.68</b>	<b>17612.13</b>	<b>36684.18</b>
7	<b>Operating Profit before Provisions and Contingencies (3-6)</b>	<b>1625.54</b>	<b>1795.00</b>	<b>1424.97</b>	<b>3420.54</b>	<b>3323.23</b>	<b>6796.19</b>
8	Provisions (Other than Tax) and Contingencies	813.70	788.14	674.03	1601.84	1590.22	3733.00
9	Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00
10	<b>Profit (+) / Loss (-) from Ordinary Activities before tax (7-8-9)</b>	<b>811.84</b>	<b>1006.86</b>	<b>750.94</b>	<b>1818.70</b>	<b>1733.01</b>	<b>3063.19</b>
11	Tax expense	185.00	200.00	125.00	385.00	315.00	625.00
12	<b>Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)</b>	<b>626.84</b>	<b>806.86</b>	<b>625.94</b>	<b>1433.70</b>	<b>1418.01</b>	<b>2438.19</b>
13	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00	0.00	0.00
14	<b>Net Profit (+) / Loss (-) for the period (12-13)</b>	<b>626.84</b>	<b>806.86</b>	<b>625.94</b>	<b>1433.70</b>	<b>1418.01</b>	<b>2438.19</b>
15	Paid up Equity Share Capital (Face Value of each share-Rs.10/-)	461.26	461.26	443.00	461.26	443.00	461.26
16	Reserves excluding Revaluation Reserves						23660.60
17	Analytical Ratios						
	(i) Percentage of shares held by Government of India	69.00%	69.00%	67.72%	69.00%	67.72%	69.00%
	(ii) Capital Adequacy Ratio - Basel II	10.61%	10.68%	10.96%	10.61%	10.96%	11.14%
	(iii) Capital Adequacy Ratio - Basel III	10.19%	10.23%	10.62%	10.19%	10.62%	10.63%
	(iv) Earnings per Share (EPS) (Not Annualised)						
	a) Basic and diluted EPS before Extraordinary items (net of tax expense) for the period, for the year to date and for the previous year	13.59	17.49	14.13	31.08	32.01	54.48
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	13.59	17.49	14.13	31.08	32.01	54.48
	(iv) NPA Ratios						
	(a) Amount of Gross Non Performing Assets	9164.26	8159.54	7475.07	9164.26	7475.07	7570.21
	(b) Amount of Net Non Performing Assets	7170.30	6150.13	6459.30	7170.30	6459.30	5965.46
	(c) Percentage of Gross Non Performing Assets	2.92%	2.67%	2.64%	2.92%	2.64%	2.49%
	(d) Percentage of Net Non Performing Assets	2.31%	2.03%	2.30%	2.31%	2.30%	1.98%
	(v) Return on Assets (Annualised)	0.51%	0.66%	0.58%	0.58%	0.66%	0.54%
18	Public shareholding						
	- Number of Shares	143000000	143000000	143000000	143000000	143000000	143000000
	- Percentage of shareholding	31.00%	31.00%	32.28%	31.00%	32.28%	31.00%
19	Promoters and promoter group shareholding						
	a) Pledged / Encumbered						
	- Number of shares						
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)						
	- Percentage of shares (as a % of the total share capital of the Company)						
	b) Non-encumbered						
	- Number of shares	318258837	318258837	300000000	318258837	300000000	318258837
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the Company)	69.00%	69.00%	67.72%	69.00%	67.72%	69.00%

*ms*

## SEGMENT REPORTING FOR THE SECOND QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2014

[₹ in Crore]

BUSINESS SEGMENT		REVIEWED			REVIEWED		AUDITED
		Quarter ended			Half year ended		Year ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
(1)	Segment Revenue						
a	Treasury Operations	2891.81	2733.44	2544.47	5625.25	5704.70	11079.17
b	Retail Banking Operations	2975.18	3014.59	2628.28	5989.77	4987.96	10788.38
c	Wholesale Banking Operations	5867.90	5781.52	5102.89	11649.42	9911.39	20806.56
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
e	Unallocated	180.32	198.46	151.84	378.78	331.31	806.26
	<b>Total</b>	<b>11915.21</b>	<b>11728.01</b>	<b>10427.48</b>	<b>23643.22</b>	<b>20935.36</b>	<b>43480.37</b>
(2)	Segment Results						
a	Treasury Operations	175.98	108.36	374.01	284.34	884.30	1463.00
b	Retail Banking Operations	231.55	521.53	467.86	753.08	848.12	1722.43
c	Wholesale Banking Operations	1059.69	993.04	473.13	2052.73	1347.48	2946.74
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>1467.22</b>	<b>1622.93</b>	<b>1315.00</b>	<b>3090.15</b>	<b>3079.90</b>	<b>6132.17</b>
(3)	Unallocated Income/Expenses	158.32	172.07	109.97	330.39	243.33	664.02
(4)	Operating Profit	1625.54	1795.00	1424.97	3420.54	3323.23	6796.19
(5)	Provisions and Contingencies	813.70	788.14	674.03	1601.84	1590.22	3733.00
(6)	Income Tax	185.00	200.00	125.00	385.00	315.00	625.00
(7)	Net Profit	626.84	806.86	625.94	1433.70	1418.01	2438.19
(8)	Segment Assets*						
a	Treasury Operations	191993.17	169262.18	150938.61	191993.17	150938.61	167100.83
b	Retail Banking Operations	107323.26	103258.35	83412.07	107323.26	83412.07	99619.98
c	Wholesale Banking Operations	210862.06	210405.00	199808.06	210862.06	199808.06	209370.03
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
e	Unallocated Assets	13056.41	12367.60	14041.25	13056.41	14041.25	10332.76
	<b>Total Assets</b>	<b>523234.90</b>	<b>495293.13</b>	<b>448199.98</b>	<b>523234.90</b>	<b>448199.99</b>	<b>486423.60</b>
(9)	Segment Liabilities						
a	Treasury Operations	50409.37	42364.02	31801.83	50409.37	31801.83	51466.11
b	Retail Banking Operations	197496.73	187811.37	169662.47	197496.73	169662.47	183552.33
c	Wholesale Banking Operations	222224.62	211521.03	200415.42	222224.62	200415.42	199789.78
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
e	Unallocated Liabilities	27800.01	28919.64	22048.96	27800.01	22048.96	27493.52
f	Capital and Reserves *	25304.17	24677.07	24271.31	25304.17	24271.31	24121.86
	<b>Total Liabilities</b>	<b>523234.90</b>	<b>495293.13</b>	<b>448199.98</b>	<b>523234.90</b>	<b>448199.99</b>	<b>486423.60</b>

(\* Excluding Revaluation Reserve)

GEOGRAPHICAL SEGMENT		REVIEWED			REVIEWED		AUDITED
		Quarter ended			Half year ended		Year ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
(1)	Domestic Operations						
a	Revenue	11603.38	11419.01	10207.63	23022.39	20453.68	42431.73
b	Assets	480588.97	457863.29	415131.17	480588.97	415131.17	449034.29
(2)	International Operations						
a	Revenue	311.83	309.00	219.85	620.83	481.68	1048.64
b	Assets	42645.93	37429.84	33068.82	42645.93	33068.82	37389.31
	<b>Total</b>						
a	Revenue	11915.21	11728.01	10427.48	23643.22	20935.36	43480.37
b	Assets	523234.90	495293.13	448199.99	523234.90	448199.99	486423.60

## STATEMENT OF ASSETS AND LIABILITIES

[₹ In Crore]


	As on 30.09.2014 (REVIEWED)	As on 30.09.2013 (REVIEWED)	As on 31.03.2014 (AUDITED)
<b>CAPITAL AND LIABILITIES</b>			
CAPITAL	461.26	443.00	461.26
RESERVES AND SURPLUS	30295.84	25846.10	29158.85
DEPOSITS	461192.96	391612.93	420722.82
BORROWINGS	22514.78	22658.71	27230.64
OTHER LIABILITIES AND PROVISIONS	14223.00	9657.04	14348.28
<b>TOTAL</b>	<b>528687.84</b>	<b>450217.78</b>	<b>491921.85</b>
<b>ASSETS</b>			
CASH & BALANCES WITH RESERVE BANK OF INDIA	18577.46	16998.91	22153.78
BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	31140.99	13095.37	22674.93
INVESTMENTS	146395.31	119481.11	126828.25
ADVANCES	310859.59	281104.47	301067.48
FIXED ASSETS	6767.00	2955.17	6641.56
OTHER ASSETS	14947.49	16582.75	12555.85
<b>TOTAL</b>	<b>528687.84</b>	<b>450217.78</b>	<b>491921.85</b>

## Notes:

- The above Financial Results were reviewed by the Audit Committee of the Board and approved by the Board of Directors in the meeting held on 6th November 2014. The results have been subjected to a 'Limited Review' by the Statutory Central Auditors of the Bank in accordance with the guidelines issued by Reserve Bank of India (RBI) and as per the requirement of Listing Agreement with Stock Exchanges.
- There has been no change in the accounting policies followed during the quarter / half year ended 30th September 2014 as compared to those followed in the preceding financial year ended 31st March 2014.
- The working results for the quarter / half year ended 30th September 2014 have been arrived at after considering provision for Loan Losses in accordance with the extant guidelines of RBI on Prudential Norms for 'Income Recognition, Asset Classification and Provisioning' and Provision for Income Tax and Deferred Tax, Depreciation on Investments and Fixed Assets and other necessary provisions.
- In accordance with the RBI Circular No.DBOD.BP.BC.80/21.04.018/2010-11 dated 09.02.2011:
  - a sum of Rs.92.68 Crore has been charged to Profit & Loss Account during the quarter ended September 2014 on proportionate basis towards unamortized liability of Rs.1853.57 Crore (being amortized over 5 years beginning from 31st March 2011) on account of reopening of pension option for existing employees who had not opted for Pension earlier. The balance amount of Rs.185.36 Crore will be dealt with as per guidelines of Reserve Bank of India.
  - a sum of Rs.33.98 Crore has been charged to Profit & Loss Account during the quarter ended September 2014 on proportionate basis towards unamortised liability of Rs.679.52 Crore (being amortized over 5 years beginning from 31st March 2011) on account of the enhancement of gratuity limit. The balance amount of Rs.67.95 Crore will be dealt with as per guidelines of Reserve Bank of India.
- Based on the available data, available financial statements and declaration from the Borrowers wherever received, the Bank has estimated the liability of Rs.39.44 Crore as at 30.09.2014 (Rs.60 Crore as at 30.06.2014) on Unhedged Foreign Currency Exposure to their constituents in terms of RBI Circular DBOD.No.BP.BC.85 / 21.06.200/2013-14 dated 15.01.2014. The entire estimated amount is fully provided for.
- In terms of RBI Circular DBOD.BP.BC.2/21.06.201/2013-14 dated 01.07.2013 Banks are required to make Half Yearly disclosures related to the Computation of Capital with effect from September 30, 2013. Accordingly, Pillar 3 disclosures under Basel III Capital Regulations are being made available on our website "www.canarabank.com". These disclosures have not been subjected to a Limited Review by the auditors.
- Pending settlement of wage revision w.e.f 01.11.2012, adhoc provision of Rs.505 Crore is held on 30.09.2014 which includes Rs.90 Crore provided during the current quarter (Rs.55 Crore for the corresponding quarter ended 30.09.2013).
- Provision Coverage Ratio as on 30th September 2014 is 58.68 %
- Number of Investors Complaints received and disposed off during the quarter ended 30.09.2014.
  - Pending at the beginning of the quarter - Nil
  - Received during the quarter - 648
  - Disposed off during the quarter - 648
  - Lying unresolved at the end of the quarter - Nil
- The immediate impact, if any, of the cancellation of coal blocks on the Bank's portfolio by way of security valuation and the impact, if any, of the penalty imposed by the Honourable Supreme Court on viability of the respective projects financed by the Bank, has not been considered as the same is not ascertainable at this stage.
- Figures of the corresponding previous period have been regrouped/restated/incorporated wherever considered necessary/feasible

Place: Bangalore  
Date: 06.11.2014

  
P S RAWAT  
EXECUTIVE DIRECTOR

  
V S KRISHNA KUMAR  
EXECUTIVE DIRECTOR

**Limited Review Report**  
**(in respect of Canara Bank)**  
**for the quarter and half year ended September 30, 2014**

**To**  
**The Board of Directors**  
**Canara Bank**  
**Bangalore**

**Introduction:**

We have reviewed the accompanying statement of unaudited financial results of **CANARA BANK** for the quarter and half year ended September 30, 2014 which has been approved by the Board of Directors; except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. Management of the Bank is responsible for preparation and presentation of this statement of unaudited financial results in accordance with applicable Accounting Standards and other recognized accounting practices and policies and relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, and provisioning. Our responsibility is to express a conclusion on this statement based on our review.

**Scope of Review:**

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conduct of our review, we have relied upon the review reports in respect of non-performing asset reviewed by the Bank's Inspection teams of 175 branches and the review reports of 2 foreign branches reviewed by the external auditor of those branches, besides carrying out the review of 20 branches by us and the Treasury Operations. These review reports cover 59.89% of the advances portfolio of the Bank (excluding ARM Branches and Food Credit); 67.69% of Non Performing Assets of the Bank. Apart from these review reports, in conduct of our review, we have also relied upon various returns received from the branches of the Bank.



**Conclusion:**

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results together with the Notes thereon prepared in accordance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement, or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of Income Recognition, Asset Classification, Provisioning and other related matters.

**Emphasis of Matter:**

We draw attention to Note No.4 in the unaudited financial results regarding amortization of pension and gratuity liability as permitted by the Reserve Bank of India (RBI) vide their circular dated February 9, 2011.

Our conclusion is not qualified in respect of above matter.

**For Loonker & Co.**  
Chartered Accountants  
FRN : 000172W

  
(Hrudayesh N Pankhania)  
Partner  
Membership No.138932  


**For P. Chopra & Co.**  
Chartered Accountants  
FRN : 004957N

  
(Rakesh Jain)  
Partner  
Membership No. 087925  


**For A.R. Das & Associates**  
Chartered Accountants  
FRN : 306109E

  
(Syamal Kumar Nayak)  
Partner  
Membership No.051353  


**For S. C. Vasudeva & Co.**  
Chartered Accountants  
FRN : 000235N

  
(Ashish Agarwal)  
Partner  
Membership No.093790  


**For Vinay Kumar & Co.**  
Chartered Accountants  
FRN : 000719C

  
(Nikhil Singhal)  
Partner  
Membership No.079557  


**For Ford Rhodes Parks & Co.**  
Chartered Accountants  
FRN : 102860W

  
(A. D. Shenoy)  
Partner  
Membership No.011549  


**Place: Bangalore**

**Date: November 6, 2014**