

REVIEWED FINANCIAL RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2015

[₹ in Crore]

Sl. No.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		YEAR ENDED
		(REVIEWED)			(REVIEWED)		(AUDITED)
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
1	INTEREST EARNED (a)+(b)+(c)+(d)	11267.50	11139.65	10893.87	22407.15	21594.98	43750.04
	(a) Interest/discount on advances/bills	8126.01	8100.70	8004.71	16226.71	15909.67	32066.12
	(b) Income on Investments	2942.92	2850.08	2681.14	5793.00	5306.15	10923.75
	(c) Interest on balances with Reserve Bank of India & Other Inter-Bank Funds	198.57	188.87	208.02	387.44	379.16	759.79
	(d) Others	0.00	0.00	0.00	0.00	0.00	0.38
2	Other Income	1210.45	1112.99	1021.34	2323.44	2048.24	4550.25
3	TOTAL INCOME (1+2)	12477.95	12252.64	11915.21	24730.59	23643.22	48300.29
4	Interest Expended	8621.00	8623.15	8526.08	17244.15	16797.93	34086.37
5	Operating Expenses (i)+(ii)	1912.85	1625.92	1763.59	3538.77	3424.75	7263.55
	(i) Employees Cost	1107.84	1058.75	1035.79	2166.59	2073.89	4274.25
	(ii) Other Operating Expenses	805.01	567.17	727.80	1372.18	1350.86	2989.30
6	TOTAL EXPENSES ((4+5) excluding Provisions & Contingencies)	10533.85	10249.07	10289.67	20782.92	20222.68	41349.92
7	Operating Profit before Provisions and Contingencies (3-6)	1944.10	2003.57	1625.54	3947.67	3420.54	6950.37
8	Provisions (Other than Tax) and Contingencies	1212.31	1359.73	813.70	2572.04	1601.84	3452.74
9	Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00
10	Profit (+) / Loss (-) from Ordinary Activities before tax (7-8-9)	731.79	643.84	811.84	1375.63	1818.70	3497.63
11	Tax expense	202.93	165.00	185.00	367.93	385.00	795.00
12	Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)	528.86	478.84	626.84	1007.70	1433.70	2702.63
13	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00	0.00	0.00
14	Net Profit (+) / Loss (-) for the period (12-13)	528.86	478.84	626.84	1007.70	1433.70	2702.63
15	Paid up Equity Share Capital (Face Value of each share-Rs.10/-)	542.99	515.20	461.26	542.99	461.26	475.20
16	Reserves excluding Revaluation Reserves						25978.18
17	Analytical Ratios						
	(i) Percentage of shares held by Government of India	66.30%	64.48%	69.00%	66.30%	69.00%	69.91%
	(ii) Capital Adequacy Ratio - Basel II	11.42%	11.16%	10.61%	11.42%	10.61%	10.98%
	(iii) Capital Adequacy Ratio - Basel III	11.04%	10.75%	10.19%	11.04%	10.19%	10.56%
	(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	10.26	9.63	13.59	19.90	31.08	58.59
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	10.26	9.63	13.59	19.90	31.08	58.59
	(v) NPA Ratios						
	(a) Amount of Gross Non Performing Assets	14021.34	13080.63	9164.26	14021.34	9164.26	13039.96
	(b) Amount of Net Non Performing Assets	9382.53	8888.14	7170.30	9382.53	7170.30	8740.09
	(c) Percentage of Gross Non Performing Assets	4.27%	3.98%	2.92%	4.27%	2.92%	3.89%
	(d) Percentage of Net Non Performing Assets	2.90%	2.74%	2.31%	2.90%	2.31%	2.65%
	(vi) Return on Assets (Annualised)	0.39%	0.36%	0.51%	0.37%	0.58%	0.55%
18	Public shareholding						
	- Number of Shares	183000000	183000000	143000000	183000000	143000000	143000000
	- Percentage of shareholding	33.70%	35.52%	31.00%	33.70%	31.00%	30.09%
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	359991054	332196971	318258837	359991054	318258837	332196971
	- 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)	66.30%	64.48%	69.00%	66.30%	69.00%	69.91%



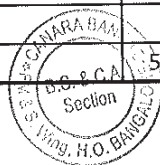
SEGMENT REPORTING FOR THE SECOND QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2015

[₹ in Crore]

BUSINESS SEGMENT		REVIEWED			REVIEWED		AUDITED
		Quarter ended			Half year ended		Year ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
(1)	Segment Revenue						
a	Treasury Operations	3307.87	3126.90	2891.81	6434.77	5625.25	12201.37
b	Retail Banking Operations	3754.30	3561.51	2975.18	7315.81	5989.77	12582.47
c	Wholesale Banking Operations	5389.15	5542.28	5867.90	10931.43	11649.42	22818.09
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
e	Unallocated	26.63	21.95	180.32	48.58	378.78	698.36
	Total	12477.95	12252.64	11915.21	24730.59	23643.22	48300.29
(2)	Segment Results						
a	Treasury Operations	576.01	450.30	175.98	1026.31	284.34	1569.12
b	Retail Banking Operations	444.76	643.58	231.55	1088.34	753.08	1221.35
c	Wholesale Banking Operations	896.71	887.74	1059.69	1784.45	2052.73	3548.66
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
	Total	1917.48	1981.62	1467.22	3899.10	3090.15	6339.13
(3)	Unallocated Income/Expenses	26.62	21.95	158.32	48.57	330.39	611.24
(4)	Operating Profit	1944.10	2003.57	1625.54	3947.67	3420.54	6950.37
(5)	Provisions and Contingencies	1212.24	1359.73	813.70	2571.97	1601.84	3452.74
(6)	Income Tax	203.00	165.00	185.00	368.00	385.00	795.00
(7)	Net Profit	528.86	478.84	626.84	1007.70	1433.70	2702.63
(8)	Segment Assets*						
a	Treasury Operations	206834.19	194921.45	191993.17	206834.19	191993.17	192632.54
b	Retail Banking Operations	127245.79	120134.13	107323.26	127245.79	107323.26	117466.87
c	Wholesale Banking Operations	202266.63	207855.99	210862.06	202266.63	210862.06	217195.46
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
e	Unallocated Assets	17018.78	16373.17	13056.41	17018.78	13056.41	15299.84
	Total Assets	553365.39	539284.74	523234.90	553365.39	523234.90	542594.71
(9)	Segment Liabilities						
a	Treasury Operations	28339.04	29482.06	50409.37	28339.04	50409.37	50848.56
b	Retail Banking Operations	307049.87	282485.74	197496.73	307049.87	197496.73	251281.63
c	Wholesale Banking Operations	159341.22	170406.52	222224.62	159341.22	222224.62	183254.51
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
e	Unallocated Liabilities	28638.20	28401.54	27800.01	28638.20	27800.01	30756.63
f	Capital and Reserves *	29997.07	28508.88	25304.17	29997.07	25304.17	26453.38
	Total Liabilities	553365.39	539284.74	523234.90	553365.39	523234.90	542594.71

(* Excluding Revaluation Reserve)

GEOGRAPHICAL SEGMENT		REVIEWED			REVIEWED		AUDITED
		Quarter ended			Half year ended		Year ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
(1)	Domestic Operations						
a	Revenue	12130.09	11957.31	11603.38	24087.40	23022.39	47101.13
b	Assets	499332.18	492497.09	480588.97	499332.18	480588.97	494678.72
(2)	International Operations						
a	Revenue	347.86	295.33	311.83	643.19	620.83	1199.16
b	Assets	54033.21	46787.65	42645.93	54033.21	42645.93	47915.99
	Total						
a	Revenue	12477.95	12252.64	11915.21	24730.59	23643.22	48300.29
b	Assets	553365.39	539284.74	523234.90	553365.39	523234.90	542594.71



STATEMENT OF ASSETS AND LIABILITIES

[₹ in Crore]

	As on 30.09.2015 (REVIEWED)	As on 30.09.2014 (REVIEWED)	As on 31.03.2015 (AUDITED)
CAPITAL AND LIABILITIES			
CAPITAL	542.99	461.26	475.20
RESERVES AND SURPLUS	34937.14	30295.84	31384.03
DEPOSITS	485205.52	461192.96	473840.10
BORROWINGS	24164.87	22514.78	25671.57
OTHER LIABILITIES AND PROVISIONS	13997.93	14223.00	16629.66
TOTAL	558848.45	528687.84	548000.56
ASSETS			
CASH & BALANCES WITH RESERVE BANK OF INDIA	20052.74	18577.46	21971.95
BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	33342.13	31140.99	26669.14
INVESTMENTS	153230.45	146395.31	145346.18
ADVANCES	323077.46	310859.59	330035.51
FIXED ASSETS	7212.00	6767.00	6949.45
OTHER ASSETS	21933.67	14947.49	17028.33
TOTAL	558848.45	528687.84	548000.56

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 04th November 2015. The results have been subjected to 'Limited Review' by the Statutory Central Auditors of the Bank.
- There has been no change in the accounting policies followed during the quarter / half year ended 30th September 2015 as compared to those followed in the preceding financial year ended 31st March 2015 except the following:
 - The useful lives of various Fixed Assets (except lease hold buildings and computers) have been changed by the Bank. These changes are based on the management's assessment of the useful lives of such Fixed Assets. The useful lives of Server Hardware, Network Equipment and Automated Teller Machines (ATMs) have been changed to five years (as against three years determined earlier) because these are no longer considered to be part of Computers. In respect of Computers, RBI guidelines have been followed for amortizing them over a period of three years. Further with regard to free hold building the useful life of the assets has been taken as 60 years, pending technical evaluation.
 - The Bank has also adopted a policy of charging depreciation during the initial year at 100% of the normal rate for assets ready for use for 180 days or more and at 50% of the normal rate for assets ready for use for less than 180 days during the year. The earlier policy of the Bank was to charge depreciation at 100% of the normal rate during the initial year irrespective of the number of days the asset was ready to use.
 - Depreciation in respect of those Fixed Assets including building and except Server Hardware, Network Equipment and ATM is now provided on Straight Line Method (SLM) as against the Written Down Value (WDV) method adopted in earlier years. This is done to make more appropriate presentation of the financial statements.
 - The aforesaid changes have resulted in surplus, which has been credited to the Profit and Loss account to the extent of Rs 166.61 crores and Rs 113.59 crores to the Revaluation Reserve Account, thereby increasing the profit by Rs 202.50 Crores and the written down values of certain fixed assets and revalued assets by Rs 280.20 Crores. The change has an overall impact in the current period profit by Rs 202.50 Crores, out of which Rs 35.89 crores relates to the half year ended 30th September 2015.
- The working results for the quarter ended 30th September 2015 have been arrived at after considering provision for Loan Losses in accordance with the extant guidelines and directions 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, provision for exposure to entities with unhedged foreign currency and other necessary provisions. Provision for employee benefits, Income-tax and Depreciation on fixed assets are subject to adjustments, if any, at the year end.
- In terms of RBI Circular DBOD.BP.BC.2/21.06.201/2013-14 dated 01.07.2013 Banks are required to make Pillar 3 disclosures under Basel III Capital Regulations. These details are being made available on our website "www.canarabank.com". These disclosures have not been subjected to a Limited Review by the auditors.
- The Bank has allotted 2,77,94,083 equity shares of face value of Rs.10 each at a premium of Rs. 330.72 per equity share to Government of India on preferential basis on 30.09.2015 for a total consideration of Rs. 947.00 crores.
- In accordance with RBI circular DBR.BP.BC.No.31/21.04.018/2015-16 dated 16.07.2015, the Bank has classified deposits placed with NABARD/SIDBI/NHB during the period commencing from April 1, 2015 for meeting shortfall in Priority Sector Lending under the income from such deposits has been classified under the head 'Interest Income-Others', which was hitherto included under 'Interest Income-Investments'.
- The RBI has permitted the Bank to spread the provision in respect of certain non performing advances in three quarters commencing 30th June 2015, which stands fully provided in the June 2015 quarter itself. Further, in respect of one Standard Asset, the Bank has provided Rs.84.84 Crore during the past two quarters and remaining Rs.52.31 Crore in the current quarter.
- Provision Coverage Ratio as on 30th September 2015 is 59.81 %



9 Number of Investors Complaints received and disposed off during the quarter ended 30.09.2015

- i) Pending at the beginning of the quarter : Nil
- ii) Received during the quarter : 424
- iii) Disposed off during the quarter : 424
- iv) Lying unresolved at the end of the quarter : Nil

10 Figures of the corresponding previous period have been regrouped/restated wherever considered necessary.


HARIDEESH KUMAR B
EXECUTIVE DIRECTOR


P S RAWAT
EXECUTIVE DIRECTOR


RAKESH SHARMA
MD & CEO


T.N. MANOHARAN
CHAIRMAN

PLACE : BANGALORE
DATE : 04.11.2015

<i>A. R. Das & Associates</i> <i>Chartered Accountants</i> <i>FRN : 306109E</i>	<i>P. Chopra & Co.</i> <i>Chartered Accountants</i> <i>FRN : 004957N</i>	<i>S. C. Vasudeva & Co.</i> <i>Chartered Accountants</i> <i>FRN : 000235N</i>
<i>Vinay Kumar & Co.</i> <i>Chartered Accountants</i> <i>FRN : 000719C</i>	<i>Ramraj & Co.</i> <i>Chartered Accountants</i> <i>FRN : 002839S</i>	<i>V. K. Niranjana & Co.</i> <i>Chartered Accountants</i> <i>FRN : 002468S</i>

Limited Review Report

To
The Board of Directors
Canara Bank
Bangalore

We have reviewed the accompanying financial results of Canara Bank for the Quarter and Half-year ended September 30,2015. These financial results are the responsibility of the Bank's management and have been taken on record by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

The financial results incorporate the relevant returns of 20 branches reviewed by us, 3 foreign branches reviewed by other auditors specially appointed for this purpose and unreviewed returns in respect of 5753 branches. In the conduct of our review, we have taken note of the review report in respect of non performing assets submitted by the concurrent auditors of .Nil branches to the bank management, inspection team of the bank of 184 branches and other firms of auditors of Nil branches specifically appointed for this purpose. These review reports cover 55.28 percent of the advances portfolio of the bank.

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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of Financial Results consists principally of applying analytical procedures to financial data and making enquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express an audit opinion.

Based on our review as aforesaid, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters,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 misstatements.

We draw attention to the following Note in the unaudited financial results:

Note No. 2 regarding the change in accounting policy with respect to change in the method charging depreciation, change in the useful life of certain fixed assets and the consequential effect on financial statements.

Our opinion is not qualified in respect of above matters.

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



(Rakesh Jain)
Partner
M. No.087925

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



(Syamal Kumar Nayak)
Partner
M. No.051353

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



(Ashish Agarwal)
Partner
M. No. 093790

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

(V. K. Agrawal)
Partner
M. No. 013795



For Ramraj & Co.
Chartered Accountants
FRN : 002839S

(K Siva Subramanya Prasad)
Partner
M. No. 024456



For V. K. Niranjana & Co.
Chartered Accountants
FRN: 002468S

(Jayarajan M)
Partner
M. No. 011105



Place: Bangalore

Date: November 4, 2015